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CONTENTS

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ALBANIA

Serreqi, OSCE Spokesman Cover Minority Issues *[Tirana TV]* 1
Press Views U.S.-Albanian Sarex Maneuvers *[KOHA JONE 18 Jul]* 1
Party Leaders Support Call for Nano's Release *[GAZETA SHQIPTARE 16 Jul]* 1

BULGARIA

Moldovan Delegation Meets Sendov, Videnov, Zhelev *[Sofia Radio]* 3
Pavlov Leads Military Delegation to Portugal *[Sofia Radio]* 3
BSP Reacts to Constitutional Court's Rulings *[TRUD 12 Jul]* 3

CZECH REPUBLIC

Plans Drawn Up To Withdraw Troops From Croatia *[MLADA FRONTA DNES 15 Jul]* 5
Envoy Discusses U.S. Stand on NATO Expansion *[RUDE PRAVO 13 Jul]* 5
Two Reporters Charged With Violating Secrecy Act *[MLADA FRONTA DNES 14 Jul]* 5
Poll Shows Mistrust of Germans, Russians *[MLADA FRONTA DNES 14 Jul]* 6

SLOVAKIA

Meciar-Led Delegation Ends Visit to Spain *[PRAVDA 14 Jul]* 7
Meciar Interview in Madrid *[ABC 14 Jul]* 7
HZDS Daily Alleges Soros Financing Opposition *[SLOVENSKA REPUBLIKA 14 Jul]* 8
Duray Deplores State of Hungarian Education *[MAGYAR NEMZET 15 Jul]* 9
One Parent's Wish Warrants 'Alternative' Classes *[NARODNA OBRODA 14 Jul]* 9
Kovac Views Republic's Economic Situation *[HOSPODARSKE NOVINY 13 Jul]* 10
Parliament Passes Bills Increasing State Role *[NARODNA OBRODA 14 Jul]* 12
CR Citizens Exempt From Provision of Foreigners Law *[PRAVDA 14 Jul]* 13

HUNGARY

Government Opposes UN Withdrawal From Bosnia *[Budapest Radio]* 14
UDMR Leader Writes to Horn About Visa Plans *[Budapest Radio]* 14
Kuncze Comments on Domestic Economic Issues *[NEPSZABADSAG 14 Jul]* 14
Economists Examine Stabilization Program *[HETI VILAGGAZDASAG 24 Jun]* 17
Half of State Assets Already Privatized *[NEPSZABADSAG 14 Jul]* 19

BOSNIA-HERZEGOVINA

RRF Gen Soubirou on Possible Intervention *[Paris LE FIGARO 18 Jul]* 21
Ukrainian Ambassador on Crisis, Troops *[London TV]* 22
Izetbegovic Looks Back on Five Years of SDA *[OSLOBODJENJE 13-20 Jul]* 23
Silajdzic Views Talks With U.S. Ambassador *[Sarajevo Radio]* 24
Decries Serb 'Aggression' *[Sarajevo Radio]* 25
Sacirbegovic Says UN Mission 'at Its End' *[Sarajevo Radio]* 25
Minister on Terms for UNPROFOR Extension *[SLOBODNA DALMACIJA 14 Jul]* 25
Akashi: Zepa Situation 'Continues To Worsen' *[AFP]* 27
Izetbegovic Offers To Negotiate *[AFP]* 27
Serbs Respond to Izetbegovic Offer *[SRNA]* 28
Lazovic on UN Responsibility *[Sarajevo Radio]* 28
Defense 'Inflicting Losses' on Serbs *[Sarajevo Radio]* 28
UN Spokesman: Zepa May Fall *[AFP]* 29
Serbs Continue Mortar Fire *[AFP]* 29
Situation of Muslim Refugees From Srebrenica 29
UNHCR: Atrocity Stories 'Numerous' *[AFP]* 29
UNHCR's Ogata To Investigate *[AFP]* 30
Up to 20,000 'Missing' *[AFP]* 30
ICRC, UNHCR Seek Access *[AFP]* 30
No Date for Visits to Detainees *[AFP]* 31
Serbs 'Hunting' Bosniak Men *[SLOBODNA DALMACIJA 17 Jul]* 31
Serbs Deny Atrocities *[SRNA]* 32
Dutch Doctor on Bratunac Hospital *[Hilversum TV]* 32
ICRC Evacuates Muslims *[Belgrade Radio]* 32
UN: Serbs Fired on Aid Convoy *[AFP]* 32
Government Forces in Bihac Attack Serb Positions *[TANJUG]* 33
Serbs Fire Frog 7 Missiles *[AFP]* 33
Serb Refugees From Bihac Face Starvation *[TANJUG]* 34
Official: UNHCR Ignores Serbs *[SRNA]* 34
Humanitarian Aid Shortages *[Belgrade Radio]* 34
Army Seizes Weapons From Ukrainian Unit in Gorazde *[AFP]* 34
SRNA Reports Muslims Mobilized in Sarajevo *[SRNA]* 35
Krajisnik: No Repeat of Western Slavonia *[NASA BORBA 17 Jul]* 35
Buha Sees 'Goal' as Unification With Serbia *[TELEGRAF 12 Jul]* 36
Official Opposes Srebrenica Refugees in Croat Areas *[SRNA]* 38
HVO Officer Suspected of War Crimes Arrested *[NOVI LIST 12 Jul]* 38

CROATIA

UN Mission Head: Croat-Serb Cooperation 'Key' *[AFP]* 40
UN Official on Milosevic Talks, Osijek Fighting *[TANJUG]* 40
Tudjman Discusses Situation With Defense Chiefs *[Zagreb Radio]* 40
Granic Leaves for Iran, Russia Visits *[Zagreb Radio]* 40
Notes Iranian Support *[Zagreb Radio]* 41
Kacic Discusses Border Problems With Slovenia *[DELO 22 Jun]* 41
Tomac: Milosevic's Serbia Should Be Destroyed *[GLOBUS 14 Jul]* 43
Development, Capabilities of Degman Tank Examined *[GLOBUS 9 Jun]* 44
Mikelic Calls For New Elections in Krajina *[Belgrade Radio]* 47
Says No Mention of Unification *[POLITIKA 12 Jul]* 47
Serbian Media Accused of Causing Krajina Rifts *[GLAS SRPSKI 14 Jul]* 48

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

PDP Chairman Receives UNPREDEP Officials *[Tirana TV]* 50
Ethnic Albanians on 'Supraparty Council' *[FLAKA E VELLAZERIMIT 1 Jul]* 50

POLAND

German Officials on Bilateral Military Relations *[POLSKA ZBROJNA 17 Jul]* 52
Deputy Defense Minister on Russia, NATO *[POLSKA ZBROJNA 16 Jul]* 53
Walesa Vetoes Enterprise Privatization Law *[PAP]* 55
Oleksy Warning About Veto *[PAP]* 55
More on 16 Jul Walesa News Conference *[RZECZPOSPOLITA 17 Jul]* 56
Minister Submits Secret Report on Corruption *[RZECZPOSPOLITA 18 Jul]* 57

ROMANIA

Melescanu Views Hungarian Ties, EU Preparations *[UJ MAGYARORSZAG 17 Jul]* 58
Defense Minister Comments on Army Restructuring *[VOCEA ROMANIEI 10 Jul]* 59
Iliescu Approves Arms Industry Privatization *[EVENIMENTUL ZILEI 7 Jul]* 60
'New Romania Party' Elects Leaders *[ADEVARUL 11 Jul]* 61

SLOVENIA

'Differences' Remain in Talks With Italy *[Ljubljana Radio]* 62
Police Commission New Patrol Boat *[DELO 22 Jun]* 62

YUGOSLAVIA

Federal

Serb Council Offers Tribunal War Crimes Evidence *[TANJUG]* 63
FRY Participates in Trieste Fair Amid Protests *[DELO 21 Jun]* 63
Private Sector Reports Growth in Trade *[EKONOMSKA POLITIKA 5 Jun]* 64
Chamber of Commerce Views Economic Slide *[EKONOMSKA POLITIKA 5 Jun]* 65
Symposium Focuses on Coal-Mining Problems *[EKONOMSKA POLITIKA 5 Jun]* 66
Commentary Criticizes Turkish Policy in Balkans *[TANJUG]* 67

Montenegro

Opposition Opposes Serb Control of Valdanos Bay *[DELO 21 Jun]* 68
Autocephalous Orthodox Church Proclaimed in Cetinje *[NASA BORBA 13 Jul]* 69

Kosovo

Rugova Briefs Diplomats on Serbian 'Repression' *[KOSOVA DAILY REPORT]* 69
Albanian 'Separatist' Police Sentenced in Pristina *[Belgrade Radio]* 69
Albanians Claim Trial Staged *[Editorial Report]* 70
Serbian Police Arrest, 'Ill-Treat' Activists *[Editorial Report]* 70

Serreqi, OSCE Spokesman Cover Minority Issues

AU1807111395 Tirana TVSH Television Network in Albanian 1800 GMT 17 Jul 95

[FBIS Translated Text] The Foreign Ministry's Press and Information Directorate reports that Foreign Minister Alfred Serreqi this afternoon received Max van der Stoel, the OSCE's high commissioner for national minorities, for a working meeting.

After congratulating Albania on her full membership of the Council of Europe, Mr. van der Stoel stressed that, apart from other things, Albania's admission to the Council of Europe testifies to the successful policy toward the minority community in Albania.

Talks later focused on the situation in Kosova and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and current developments in the conflict in Bosnia-Herzegovina.

Mr. van der Stoel stated that resolving the fair demands of Albanians in Macedonia is a fundamental factor in stability in Macedonia and its integration into European structures and beyond, the announcement by the Foreign Ministry Press and Information Directorate concludes.

Press Views U.S.-Albanian Sarex Maneuvers

AU1807094495 Tirana KOHA JONE in Albanian 18 Jul 95 p 3

[Commentary by A.B.: "Military or Political Maneuvers?"]

[FBIS Translated Text] More joint U.S.-Albanian military maneuvers begin today, called "Rescuing Eagle" Sarex 95-2, and considered by experts to be the largest and most important to be conducted in Central and East Europe, considering the quantities of personnel and equipment involved.

The USS Kearsarge arrived in the Adriatic yesterday together with the forces and equipment that will be used in the exercise. Albanian Defense Minister Safet Zhulali stressed the high level of the exercises, in the light of the tense and highly dangerous situation in the region. Zhulali also emphasized that the deeper cooperation that these maneuvers entail has been achieved thanks to the direct interest of U.S. Defense Secretary William Perry, whom Zhulali did not even hesitate to call his personal friend.

U.S. military uniforms have become more commonplace than ever in Albania, but it is noticeable that all the maneuvers have a humanitarian character and appear to anticipate a possible evacuation of refugees. According to foreign news agencies, a U.S. diplomat in Tirana stated that the joint U.S.-Albanian maneuvers had nothing to do with preparing for a war against Serbia. It is also said that Albania might be used as a base for the deployment of U.S. forces in the case of a possible evacuation from Bosnia.

Despite the statements by U.S. diplomats, the Albanian and Kosovar authorities persist in trying to give these maneuvers a political color with the opposite meaning. After the approval of an amendment about Kosova by the U.S. Senate a few days ago, increased numbers of people have been saying that the United States might recognize the Republic of Kosova, as some Albanian newspapers have recently speculated. At the moment, regardless of contradictions that may exist between U.S. policy and the theory of the Republic of Kosova, it must be said that the United States is the closest ally of the cause of Kosova and the Albanian cause in general. The Albanians' hopes are somewhat dashed when they remember the rigorous standpoint of U.S. policy on the preservation of Macedonia, where more than 30 percent of the population are Albanians. The joint U.S.-Albanian humanitarian maneuvers make Albanian officials feel good, but do not have the same effect on the Albanian population, who fear a massive cleansing of Kosova and a possible influx of Kosovar refugees. Some right-wing forces in Albania think that this will happen, and even go as far as hoping that property will not be returned to its former owners, because the north of Albania would, they think, be filled with Kosovar emigrants.

Party Leaders Support Call for Nano's Release

AU1707091995 Tirana GAZETA SHQIPTARE in Albanian 16 Jul 95 p 3

[Article by Arian Cani: "Brozi's Demand Is an Interesting Solution"]

[FBIS Translated Text] Tirana—The Nano case and the demand of the number one in the judiciary for his release have provoked reactions from different Albanian politicians. They have each expressed in their own fashion their attitudes toward the independence of the courts, the Nano case, and the position of the opposition and the government in the Albanian political world. One calls Judge Brozi's demand "interesting," and another says that "a solution to this question would help to civilize Albanian politics." However, the view was also expressed that "a positive solution to the Nano case cannot be achieved without Berisha's knowledge."

Social Democrat leader Skender Gjinushi said, "It would be normal for the judiciary to solve the Nano case and if we had an independent judicial system we would not have the Nano case on the political agenda. The Socialist Party [PS] would not hold rallies, and the Democratic Party [PD] would not hold counterrallies,

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and Berisha would not usurp the office of the prosecutor. This situation has arisen out of the politics pursued by the PD and the president. The parliament defended Brozi and it is now up to Berisha to defend justice. It seems to me that Brozi has made a fair and legal demand. I think that a positive solution of the Nano case is impossible without Berisha's knowledge. Nano did not greet Berisha for nothing, especially in reference to the latter's expression of repentance. After Nano's release, it will be up to both of them to repent together."

Meanwhile, Arben Imami, general secretary of the Democratic Alliance, was more succinct in his argument. "I have the impression that conditions at home and abroad are ripe for finding a solution to the Nano case. Such a solution would help to civilize Albanian politics. I am not a judge, but Brozi's demand strikes me as interesting. Nevertheless, the plenum has 11 votes, the majority of which are at Berisha's beck and call."

Meanwhile, PS Deputy Chairman Servet Pellumbi, expressed himself in milder tones. "We call a solution to the Nano case a sign of the democratic emancipation not only of the judiciary but of Albanian democracy as a whole. The judiciary has an opportunity to demonstrate its independence. This time we really have hope."

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Moldovan Delegation Meets Sendov, Videnov, Zhelev

AU1707194495 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Jul 95

[FBIS Translated Text] Today the Moldovan parliamentary delegation led by Petru Lucinschi, chairman of the Moldovan parliament, started the working part of its visit with a meeting with National Assembly Chairman Blagovest Sendov. The two parliamentary leaders agreed that the good relations between the two countries needed to be reactivated, but on a new basis.

At their meeting, the Moldovan visitor and Prime Minister Zhan Videnov mainly discussed the economic aspects of bilateral relations. It was noted that an important step that needed to be taken in the future is to create a normal international legal foundation for bilateral relations. At the meeting special note was taken of the constructive role played by the Bulgarian section of the Moldovan population in creating the new state there. The Bulgarian representative in the Moldovan parliamentary delegation thanked the Ministry of Education and Science for the help given to the Bulgarian population of Moldova.

Bilateral relations and Bulgarian-Moldovan contacts within the framework of the Black Sea economic cooperation initiative were the main subjects discussed at the Moldovan parliamentary delegation's meeting with President Zhelyu Zhelev. President Zhelev also expressed hope that the juridical basis of our bilateral cooperation would be strengthened in the very near future. The Bulgarian head of state gave a high assessment to the observance of the human rights of the Bulgarians living in Moldova.

Pavlov Leads Military Delegation to Portugal

AU1707173895 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 17 Jul 95

[FBIS Translated Text] A Bulgarian military delegation led by Defense Minister Dimitur Pavlov has departed on a visit to Portugal. At Sofia Airport, Defense Minister Pavlov spoke to our correspondent Khristo Khristov on the aims of the visit and the results expected to be achieved.

[Begin recording] [Khristov] What results do you expect from your visit to Portugal and what documents are you likely to sign?

[Pavlov] First, we hope that all the work that we have been doing during the last year and more will be crowned with success—that is, with the signing of an cooperation agreement between the two countries' Defense Ministries. The document itself is—I will not say is standard in form, but it is a working document similar to the ones that we have signed recently with our other neighbors and last week with Italy. It provides opportunities for cooperation in the military-political and military-economic fields.

[Khristov] Do you believe that your meetings and contacts with your counterpart in Portugal will help to win Portugal's support for our acceptance into certain of the European structures?

[Pavlov] That is one of the issues that we will discuss with him, and when I return I will be glad to inform you of the results. [end recording]

BSP Reacts to Constitutional Court's Rulings

AU1707133995 Sofia TRUD in Bulgarian 12 Jul 95 pp 1, 3

[Article by Sevda Dinovska: "Bulgarian Socialist Party Threatens Constitutional Court"]

[FBIS Translated Text] The National Assembly has been called upon to amend the Law on the Constitutional Court because at the moment it is becoming a channel for certain political forces to express their discontent.

Yanaki Stoilov, deputy chairman of the BSP [Bulgarian Socialist Party] Supreme Council, made this statement to journalists yesterday. In his view, the effects of the attacks on the passages in the adopted laws and the Constitutional Court's rulings concerning them made it necessary to review the law in more detail.

The quiet war that has recently broken out between the parliamentary majority and the Constitutional Court has provoked a revolt among the staff at BSP headquarters. "Every decision by the Constitutional Court disturbs the political equilibrium, while the institution itself has become a vehicle for political intimidation," states an analytical report that the BSP press center prepared last week. A source in the BSP leadership confidentially informed TRUD that Miroslav Popov, member of the BSP Executive Bureau, is to submit an in-depth analysis that Zhan Videnov had requested by the end of this week. The document reportedly is also supposed to propose alternatives for possible personnel changes in the Constitutional Court.

"Under the laws of most East European countries, parliament plays the main role in appointing members of the Constitutional Court," Yanaki Stoilov explained. Under the currently operative Law on the Constitutional Court, the president, National Assembly, and the general assembly of members of the Supreme Court of Cassation and the Supreme Administrative Court [two courts not

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yet established] each appoint four judges to the court from their quotas.

TRUD has learned that in all likelihood parliament will amend the Judiciary Act next year. According to a member of the Socialist leadership, "this law fails to prescribe all the circumstances under which magistrates should lose their status of irremovability." At the moments the magistrates cannot be penalized even if they neglect to carry out their most elementary official duties. Stoilov commented that "some of them act in accordance with the political situation of the time and do not fulfill the functions allocated to them by the Constitution."

People with good memories recall that last year the president and the SDS [Union of Democratic Forces] attacked the Judiciary Act in submissions to the Constitutional Court, although the Filip Dimitrov government had sponsored the bill.

Today President Zhelyu Zhelev will address the National Assembly on the fourth anniversary of the adoption of the Constitution. Georgi Markov [member of Constitutional Court] told TRUD that later the Constitutional Court will issue a statement regarding the attacks launched against it.

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Plans Drawn Up To Withdraw Troops From Croatia

AU1807104595 Prague MLADA FRONTA DNES in Czech 15 Jul 95 p 1

[Article by "(km)": "The Army Is Preparing for a Possible Withdrawal From Croatia"]

[FBIS Translated Text] Prague—The Army is preparing for the possibility that UN peacekeeping units will be withdrawn from the former Yugoslavia.

Apart from detailed plans and options for the withdrawal of the Czech UNPROFOR [UN Protection Force] unit from Croatia, which military strategists drew up earlier, the minister's advisory board has decided that the UN units will switch from the domain of Army diplomacy and come under the strictly military regime of the General Staff.

According to the Army command's plan, some 1,000 Czech troops could return home not only by land, but also by air and sea. At the same time, the Army is prepared for the possibility that this may be an operation lasting several months and involving the withdrawal of all of its equipment or a rapid departure, in which the troops would leave all of their equipment in Croatia. Financially, this option should have no affect on the Republic because the United Nations pays for the armies' hardware and equipment.

There has been talk since the beginning of this year about the evacuation of some 22,000 UN troops from the former Yugoslavia in response to the collapse of the peacekeeping efforts in this region.

Envoy Discusses U.S. Stand on NATO Expansion

AU1707202495 Prague RUDE PRAVO in Czech 13 Jul 95 p 14

[Article by Jiri Roskot: "Zantovsky: We Have Reasons To Believe That Next Year NATO Will Announce Whom It Will Accept"]

[FBIS Translated Text] "A study has just been completed that is to answer the questions of how and why NATO is to expand, and we have reason to believe that in the very near future, perhaps next year, the remaining two questions will be answered—i.e., who and when"—Michael Zantovsky, Czech ambassador to the United States, said in the introduction to a meeting with reporters in Prague on 12 July. To the RUDE PRAVO question of how the expansion of the alliance is viewed in Washington, the ambassador observed that the "discussion is just beginning, and next year, the election campaign, in particular, will be of crucial importance for us."

For the Czech Republic, the ambassador considers the proexpansion stand of the U.S. Administration to be of utmost importance. The expansion is inevitable, and no third country can or will use its right of veto.

Zantovsky described the situation in Congress as more varied as far as opinions go. "We should not be blind to the fact that there are congressmen who remain cool to the issue of NATO expansion or have their doubts about it and sometimes openly oppose it." The ambassador pointed out that the annexation of the Washington treaty will have to be ratified in the United States and in the other 15 NATO member states. The support of 60 senators will be needed in the United States. "Of course, it will be the goal of our efforts to make certain that 60 senators will actually vote in favor of expansion," he said. Zantovsky attributed the views voiced in the United States about the alliance's being outdated to those politicians who have claimed over the past decades that the United States and its allies helped the Cold War along by their "tough attitude toward the USSR and the communist camp."

Two Reporters Charged With Violating Secrecy Act

AU1707174295 Prague MLADA FRONTA DNES in Czech 14 Jul 95 p 3

[Article by "ina": "Two More Journalists Have Been Charged With Violating the State Secrecy Act"]

[FBIS Translated Text] Prague—The investigator [Lieutenant Colonel Kavka of the Political Affairs Section of the Investigation Bureau] has accused two CESKY TYDENIK reporters of violating the State Secrecy Act by publishing in one of their articles the internal structure of civilian counterintelligence ["Secret Service Officials Do Not Satisfy Qualification Requirements" in CESKY TYDENIK No. 10 3-6 February]. It is the second instance so far of journalists being prosecuted for revealing state secrets. Jaroslav Kolar, a regional newspaper [SD—SEVEROCESKY DENIK] reporter, was charged with this crime in May.

Both CESKY TYDENIK reporters consider the complaint nonsensical. "The Government instruction [No. 419] of [20 September] 1990, which defines state secrets, does not include a single word about the structure of the Security Information Service [BIS] being included under this label," according to Lubor Kohout, one of the accused.

The incentive for the prosecution of Kohout and Jan T. Vavra, who face up to three years in prison, came from the BIS Inspection. The investigator immediately lodged a complaint and only subsequently asked the Interior Ministry's Archive and Files Section for its view on

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whether the internal structure of BIS can be described as a state secret. So far, the investigator does not have this document at his disposal.

In Kohout's case, an exacerbating circumstance probably was that he used to work for federal civilian counterintelligence. "I left it, however, before it became the present BIS. The information on its internal structure is not at all correlated with my former job," Kohout claims.

[Prague CESKY TYDENIK in Czech No. 56 on 14 July 95 on page 1 carries a similar report, which adds: "The editorial office of CESKY TYDENIK is convinced that endeavors to criminalize and imprison journalists do not correspond to the fundamental principles of democracy, which include freedom of speech and the right to information. By their conduct, the Czech police corps deny these fundamental principles of any civilized society."]

Poll Shows Mistrust of Germans, Russians

AU1707201495 Prague MLADA FRONTA DNES in Czech 14 Jul 95 p 1

[Article by "jik": "Half the Population Does Not Trust Germany"]

[FBIS Translated Excerpt] Prague—The mistrust of Germany that is reported by approximately half the population and that, according to sociologists, could grow deeper can substantially affect public opinion on whether or not to join the EU and NATO.

This was confirmed by an extensive public opinion survey conducted at the request of the German Friedrich Naumann Foundation during the period May to June by the Analysis & Consulting firm operated by sociologist Ivan Gabal.

Despite the public's considering Germany the country that sets the pace of the European economy and contributes to the region's stability, most of the people (62 percent) worry about German endeavors to control the neighboring countries. Therefore, some worry that joint membership with the German superpower in the EU or NATO could mean much greater German influence for the Republic than if the state stayed out of these organizations. [passage omitted]

[The same newspaper on page 2 adds: "Germany is the only Western country that divides the Czech public into two almost equally strong groups of trusting and mistrusting—namely, 51 percent of those asked trust their closest Western neighbor, while 47 of the respondents do not trust Germany. The trust in other countries of West Europe and the United States did not go below 75 percent, and mistrust did not exceed 20 percent. At the same time, the postcommunist countries are mistrusted by approximately 50 percent and trusted by some 45 percent of the population, with the exception of Russia, which is mistrusted by 84 percent of the respondents." Prague's LIDOVE NOVINY in Czech on 14 July in a similar report adds: "The war past and Nazism are a closed chapter for the majority of Czech society (83 percent of those asked)," but "a great majority of citizens perceive the Sudeten German issue as a serious problem (67 percent)." Four percent of those asked assess Czech-German relations as very good, 79 percent as good, 13 percent as rather bad, 1 percent as very bad. Three percent do not know.]

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Meciar-Led Delegation Ends Visit to Spain

AU1707201295 Bratislava PRAVDA in Slovak 14 Jul 95 pp 1, 12

[Article by Jan Skoda: "Aznar Gives Priority to the Mediterranean; Did Vladimir Meciar Meet the Next Spanish Prime Minister?"]

[FBIS Translated Excerpt] The second day of Slovak Prime Minister Vladimir Meciar's working visit to Spain started yesterday with a meeting with the likely next prime minister, People's Party Chairman Jose Maria Aznar. The official program then continued with brief talks in both chambers of the Cortes, the Spanish parliament. In the evening, the government delegation returned to Bratislava.

But let us briefly return to the first day of the visit. [passage omitted] We have managed to obtain further information on cooperation between Slovak and Spanish arms manufacturers, which will eventually depend, first and foremost, on whether they find a market for the modernized T-72 tanks. If they do, Prime Minister Meciar has promised government guarantees for a credit of up to $80 million.

The influential daily EL PAIS, which is close to the Socialists, yesterday published an interview with the Slovak prime minister, under the headline "We Lost Prague but Gained the World." According to Vladimir Meciar, Slovakia finds itself in the second stage of privatization, which will end within one year. In the interview, he also said that we have our own model of privatization, which gives preference to state-regulated gradual privatization. Vladimir Meciar rejected accusations of authoritarianism and of the endeavor to financially ruin the independent Slovak press. Regarding relations with Hungary, he said that "they have improved" since signing the basic interstate treaty and the modification of the water regime on the Danube. At the conclusion of the interview, the Slovak prime minister stressed that, in relation to the Hungarian minority in Slovakia, the issue today is "how to achieve its learning the Slovak language."

The aim of yesterday's meeting between Meciar and Aznar was to get to know one another. According to the Spanish politician, the talks were "very cordial." However, unlike Prime Minister Gonzales, the People's Party chairman gives priority to intensifying the EU's integration with Mediterranean states. [passage omitted]

Deputy Prime Minister and Finance Minister Sergej Kozlik held talks at the seat of the employers' association, CEOE, yesterday. According to Kozlik's words, in October we will welcome in Slovakia a large delegation of Spanish entrepreneurs. [passage omitted]

At the very end of their stay in Madrid, members of the Slovak delegation enjoyed the treasures of the Prado picture gallery, which will soon undergo a thorough reconstruction that will take several years. [passage omitted]

Meciar Interview in Madrid

BR1407140895 Madrid ABC in Spanish 14 Jul 95 p 34

[Interview with Slovak Prime Minister Vladimir Meciar by Cristina Lopez Schlichting in Madrid; date not given: "My Fascism Is as Real as a Multimillionaire's Ruins"]

[FBIS Translated Text] Madrid—*A controversial personality as few people are, Vladimir Meciar, who is on a visit to Spain, faces the awkward situation of finding himself accused of populist nationalism abroad and seeing his domestic popularity plummet in his own country. Amid the disintegration of Czechoslovakia, the Slovaks saw in it the promise of a strong, rich, and proud country. Today, only the unpleasant aftertaste of those dreams remains.*

[Lopez] You do not hesitate to repeat that Russia and Ukraine must not remain isolated from the European defense systems. Why do you dwell on this point?

[Meciar] Europe suffered many losses because of its division for decades, and we would not like this split to reemerge in the form of "spheres of influence." Slovakia wishes to belong to NATO but, at the same time, to have relations with Russia and Ukraine in order to neutralize that danger: The politicians talk about the elimination of the blocs, but the fact is that the weapons remain in the same places and aimed at the same places.

"Religious Group"

[Lopez] You are opposed to the use of force by the United Nations in Bosnia. Why?

[Meciar] The UN troops are essential for the civilian population's safety, but the solution to this conflict lies in an agreement between the three sides involved: Croats, Serbs, and a religious group—the Muslims. Bosnia-Herzegovina no longer performs its functions, although it is juridically recognized, and conclusions must be drawn from this.

[Lopez] So are you in favor of the division of Bosnia-Herzegovina?

[Meciar] I am in favor of the sides concerned resolving their differences through an agreement, and it seems that there will be no peace unless the borders are revised.

[Lopez] As a privileged observer of the area, do you believe that the Serbs and Croats will go to war again

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because of the territories occupied by the Serbs in Krajina?

[Meciar] Krajina has not always been what it is at present; the Serbs lived there from the beginning. Currently, the Croats need to unify their territories. Theoretically, a solution is possible by juridically defining the status of the part of Krajina that will be Croat.

Partition of Krajina

[Lopez] So you propose the partition of Krajina?

[Meciar] No. I propose that the two sides reach agreement, and I believe that is realistic.

[Lopez] It can be deduced that you do not believe in the Muslim-Croat federation's future.

[Meciar] It could be effective, but, at the same time, we see that, with the agreements signed in Washington, the Croats end up living in two different states—Croatia and the Muslim-Croat Federation of Bosnia—and so do the Serbs, and, whether or not they say so, the two peoples wish to unite—Croats with Croats and Serbs with Serbs.

[Lopez] For some time, you have denied autonomy to the 600,000 Hungarians living in Slovakia. To what extent has your recent meeting with Hungarian Prime Minister Gyula Horn improved matters?

[Meciar] We have adopted the European norms guaranteeing minorities' rights; the two countries have endorsed them in a framework agreement. So Slovakia has undertaken to respect its minorities' rights, but the demand for autonomy goes beyond the norms recognized in Europe. In 1938, with the German annexation of the Sudetenland, we already experienced in the former Czechoslovakia the extremes to which autonomies such as that granted to the Germans of Bohemia can lead.

[Lopez] Two major criticisms are leveled against you in domestic policy. The first concerns your excessive control over the news media: The broadcasting of three major satirical television programs referring to you was recently prevented. The second concerns the obstacles the government is placing in the way of the privatization of important public sectors, such as the power enterprises.

[Meciar] I have no influence either on television or on my country's news media. All I know about the programs to which you refer is that they were productions by a commercial agency that did not renew its contract. With respect to the privatization measures, we will prevent those of the power, gas, and telecommunications enterprises, but we will authorize that of the whole chemical industry, for instance.

State Interventionism

[Lopez] That is a very interventionist formula by European standards...

[Meciar] The public power enterprises have considerable debts and many projects pending. Moreover, it is not possible for the state to be left with just the enterprises in a poor situation because that would damage the economy, affect prices, and leave the state deeply in debt. They must be kept with a view to financing the budget.

[Lopez] Multimillionaire George Soros has referred to your policy as fascist. He believes that it is an explosive mixture of nationalism and economic interests.

[Meciar] The truth about my fascism is as great as that of Soros's bankruptcy. However, why does he say this about me? Because he finds himself forced to lie in order to finance his foundations. If his enterprises in Slovakia have not succeeded, I am sorry. He should not on that account regard as fascist everybody who does not privatize everything that he did not have enough time to privatize.

HZDS Daily Alleges [illegible] Financing Opposition

AU1707142095 Bratislava SLOVENSKA REPUBLIKA in Slovak 14 Jul 95 p 1

[Commentary by Miroslav Sasky in the "Public Matter" editorial column]

[FBIS Translated Text] The self-confidence and smugness of George Soros are outright incredible. After his unscrupulous attack on Slovakia at the economic forum in Crans Montana, Switzerland, he defended himself by saying that he "did not want to damage the interests of Slovakia." Obviously, he is convinced that he who has money is always right. And, in the rare instances when he is not, he can always buy truth for dollars. Unfortunately, there are people in Slovakia who are capable of adapting themselves to such a deviant way of thinking.

But it is an ill wind that blows no good. It suffices to take note of George Soros's view that the interests of Slovakia are being damaged not by those who spread lies about it but, supposedly, by Slovakia's present government. This is a truly inspiring idea but one that sounds somewhat familiar. It is becoming clear, at long last, from where the wind is blowing and from which source some opposition politicians are drawing their "arguments." It also seems to be clear that the absolutely unfounded proposals for the devaluation of the Slovak koruna did not originate in the workshop of the opposition's economic experts. These were just communicating the pious wish of the financial

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juggler G.S. so as to enable him to perform, virtually unrestricted, his favorite wizardries for a pittance. The ruined Slovak economy, thrashed by inflation, would not be able to defend itself.

Expecting G.S. to apologize for his attacks on Slovakia is just as naive as to wait for an apology from referee Blankeistein for the "masterly" way in which he arbitrated our match in Israel [reference to a recent soccer qualifying match for the European Championships]. We are simply too young and also a little fainthearted. It is high time that we finally stop letting everyone "walk all over us." Let us follow the example of other states (many of which are just as young as we), and let us start behaving as is proper for a sovereign state. Otherwise, we will never gain respect in the world. It can be taken for granted that, if George Soros were declared persona non grata, the recipients of his dollars would raise a hue and cry about how we are trampling democracy underfoot, heading in the direction of the Balkans, and so forth. Let us give them this chance! Let those who are taking Soros's dollars and obediently promoting his views come forward and present themselves to the public.

Duray Deplores State of Hungarian Education

AU1707202395 Budapest MAGYAR NEMZET in Hungarian 15 Jul 95 p 13

[Interview with Miklos Duray, chairman of the Coexistence Movement of Ethnic Hungarians in Slovakia, by Jozsef Botlik; place and date not given: "The Constitutional Rights of the Ethnic Hungarians in Slovakia Are Threatened"]

[FBIS Translated Excerpt] [Passage omitted] [Botlik] Close to 2,000 Hungarian teachers should be trained in Slovakia until the turn of the century to have sufficient manpower in the Hungarian schools. Does the drastic reduction in training Hungarian teachers also prove that the government has never given up its intention to reduce Hungarian education in Slovakia?

[Duray] Absolutely. The plan to teach certain subjects in Slovak has always been a political intention, both in past decades and today. The situation remained the same after the change in the regime in 1989, the separation of Czechoslovakia, and the creation of independent Slovakia. The language law on the country's official language was adopted by the Slovak parliament on 25 October 1990, when united Czechoslovakia still existed. Mainly at the demand of the Matica Slovenska and the Slovak National Party, the Education Ministry began organizing bilingual or "alternative" education with the aim of deliberately reducing the number of Hungarian schools. They would like to make us believe that all of this to our benefit. The relevant press campaign in the newspapers close to Slovak Government circles is simply repulsive. They are putting defenseless children and youth on display to try to justify the importance of the bill and make the Slovak public believe that the ethnic Hungarians in Slovakia do not speak the Slovak language.

[Botlik] The Slovak press also claims that alternative education will only be introduced on a voluntary basis....

[Duray] They also keep promising to talk to Hungarian teachers and the heads of Hungarian political parties. However, the relevant officials are taking measures, and the Hungarian secondary schools already received the draft regulation on the basis of which they want to introduce teaching certain subjects in the Slovak language this fall. [passage omitted]

[Botlik] It clearly transpires from the events of recent weeks that the school directors who refuse to support the introduction of bilingual education and refuse to convince parents to contribute to the implementation of this plan aimed at eliminating the Hungarian schools will be regarded as guilty by the government. A wave of firings has already begun. What can you do in such a situation?

[Duray] Within the legal framework, we will make use of every means to protest not only in the Slovak forums but also at international forums. Firing school directors is aimed at getting rid of those who are not willing to contribute to the elimination of our Hungarian schools by becoming tools of the government. Some five directors of Hungarian schools have been fired so far. [passage omitted]

One Parent's Wish Warrants 'Alternative' Classes

AU1707174495 Bratislava NARODNA OBRODA in Slovak 14 Jul 95 p 1

[CTK report: "Alternative Education Is To Be Launched in September, Even Though Its Concept Does Not Exist"]

[FBIS Translated Text] Bratislava—Ondrej Nemcok, state secretary at the Ministry of Education of the Slovak Republic, concedes that, if parents of Hungarian nationality will not show interest in alternative education (that is, bilingual education in Hungarian and Slovak) for their children, this new system of education will not be introduced in September.

"If parents do not wish alternative classes, it is possible that none will be established," Nemcok told reporters in reply to a CTK question. At the same time, he noted,

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"should only a single parent wish it (alternative education), he must not be discriminated against and conditions must be established that will be bearable from the financial viewpoint and that will simultaneously accommodate those who have requested this system of education." According to valid regulations, a minimum of 15 children are required to establish a class.

While the Ministry of Education wants to launch alternative education as early as September and parents were supposed to declare by the end of June whether they wish their children to attend bilingual classes, Nemcok admitted that not even the concept for this system of education has been approved to date. He explained that its draft "has gone through" the Government Council for Ethnic Minorities, but even the Council has not approved it yet.

Nemcok considers alternative education highly democratic and fully dependent on the will of parents. He therefore does not know what makes members of minorities label it as discriminatory and dictatorial.

In his view, it is not suitable to submit the concept to a general discussion because too many people who are not experts would deliver their opinion on it. "No political action against the Hungarian minority is involved here. The only endeavor is to make children of Hungarian nationality improve their Slovak," the state secretary at the Ministry of Education claimed.

Kovac Views Republic's Economic Situation

AU1707203395 Prague HOSPODARSKE NOVINY in Czech 13 Jul 95 pp 1, 4

[Interview with Slovak President Michal Kovac by Oldrich Zabojnik in Bratislava; date not given: "According to Slovak President M. Kovac, There Are No Reasons To Consider Abolishing the Customs Union"]

[FBIS Translated Text] [Zabojnik] Slovakia's economic situation in its third year of independence is rather surprising, especially for those who had expected major economic difficulty or even collapse. What is your view, Mr. President, as a leading Slovak economist?

[Kovac] In 1993, in its incipient year, Slovakia, compared with the Czech Republic, differed considerably in the decisive macroeconomic indicators. Nevertheless, there was a fundamental change in 1994. With the exception of our deficit budget and the Czech surplus one, the differences had been substantially reduced in almost all of the other indicators. At the same time, if I recall, in, for example, the balance of trade, the results were unfolding in Slovakia's favor. The Czech Republic returned a deficit of 12.5 billion korunas [Kc], and Slovakia returned a surplus of 4.1 billion korunas [Sk]. At the same time, in 1993, it was the other way around—Slovakia had a deficit of Sk27.3 billion, and the Czech Republic had a surplus of Kc2.5 billion. Likewise, our situation also improved in the industrial output index. It has worsened somewhat as far as the monthly nominal wage is concerned. While the difference in 1993 was Sk476, it had increased to Sk562 in 1994. Consequently, some indicators suggest that, while we have come closer in many important quantities in economic development, in others, there are still differences to the detriment of Slovakia.

[Zabojnik] How do you explain the more or less positive development in the Slovak Republic?

[Kovac] In our country, obviously, the fact that, under the common state, Slovakia in many respects recorded a greater decline than the Czech lands has been overcome more quickly. I mean, for example, the reorientation of our foreign trade and the decline in arms production and other output that had been oriented toward export to the former Soviet Union. Slovakia had faced these problems as early as 1991 and 1992. Obviously, it is impossible to completely rule out the fact that certain influences will, perhaps, manifest themselves in the Czech economy this year or next, while Slovakia has already had to begin coming to terms with them. I do not mean to say that we have already solved all of our problems. High unemployment is manifesting itself as a consequence of the influences I mentioned.

Despite this, we have sufficient reasons for looking toward the future with optimism, although we realize that we may rapidly exhaust the advantages that we now have at our disposal. We could find ourselves in a situation in which a shortage of investment sources complicates the competitive ability of our enterprises. Therefore, a greater influx of foreign capital is very important for Slovakia. We have to bridge the problems we have in this respect in the foreseeable future. This is a matter of foreign investors having confidence in Slovakia, which, among other things, we will not achieve without domestic political stability.

[Zabojnik] Some coalition economists emphasize from time to time—foreign investments yes, but only after the internal reserves lying fallow have been exhausted. What do you think of such views?

[Kovac] The theory on interest in foreign investments only after the domestic reserves have been utilized is quite misguided. A person who does not understand economic processes properly may say this. We needed foreign investments maybe five years ago, and to a considerably greater extent than their current volume. We are very well aware that the economy needs to be not only restructured but also modernized. At the

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moment, we are able to compete because we know how to make quality products with high utility parameters on our existing capacities. Our current advantage, however, is that, in view of the low wages and salaries, we are working with relatively advantageous overheads. If, however, in future years, we wish to stand our ground in stiff competition, we cannot neglect the modernization of our economy; we will not get by in this without foreign investments, which should have been here long ago. So, to expect that we will use our existing capacities first and then begin to modernize is a genuinely naive approach. I do not believe that the current government shares such ideas. These are more likely to be the simplified views of certain politicians or politicizing economists. The Slovak Republic needs unequivocally to increase the influx of foreign capital, and fast. Some prerequisites for this have already been created here. The Slovak Republic's good rating placement, the results of macroeconomic stabilization, and other positive economic factors must, however, be accompanied by the kind of domestic political steps that will increase our reliability among foreign businessmen, investment companies, and banks that, in assessing the situation in individual countries, decide according to their own criteria.

[Zabojnik] Do you agree with the view that all of the previous Slovak Governments have shared in the country's economic results?

[Kovac] All of the previous governments have a share in last year's positive development and its continuation this year. I do not think any of them are trying to claim something for itself that it does not deserve. Certain objective factors also played a role; for example, the end of the recession in the West along with the resumption of prosperity, which improved the market for our products. This made it possible for us to make better use of some of our production capacities. It is also impossible to deny the positive influence of a certain domestic specific feature—that is, the modesty and industry of our people. Social reconciliation obviously has a significant influence; this is very important for continuing economic development. Of course, it is impossible to lose sight of the fact that our citizens' patience also has its limits, which, I hope, all politicians realize. There are major reserves for a correct dialogue between the government and various groups of working people, thus making it possible to continue to avoid strikes, of which the longer-term ones especially would cause major economic losses.

[Zabojnik] Let us turn to the development of relations between our republics. Do you think that, given a different course of action by the Slovak Government, it would have been possible to prevent the unilateral cancellation of the payments agreement by the Czech side?

[Kovac] Each government tries to take the interests of its country into consideration. The Czech Government had its own reasons for requesting negotiations on changing the payment conditions. The Slovak Government was also protecting the interests of its country. The situation that arose obviously turned out to be advantageous for the Slovak economy. This, however, required dialogue, although not at the prime ministerial level immediately, but between the appropriate ministers. With the passing of time, we are finding out that it did take place, but that it did not relate to the heart of the matter. It is hard for me to say who had what share in the dialogue not reaching a solution and in the Czech Republic deciding unilaterally to cancel the payments agreement. This is in harmony with the existing agreement, so it is hard to be reproachful because the same thing could have happened to the Slovak side. In any case, however, the conclusion is that, if there is no ongoing dialogue, various mutual suspicions arise, matters of prestige come to the forefront, and relations defy rationality and sink to other levels. The lesson for the two sides from this is that it is necessary to circumvent each other less and to hold direct talks more; it is usually always possible to find a mutually acceptable solution within their framework. Recent development has confirmed that, if there had been a serious dialogue and the essential mutual trust, such momentous issues as the breakup of Czechoslovakia and the creation of two separate currencies could also have been resolved. The problems of transferring to new payment conditions could also have been resolved in a calm atmosphere. It has already happened, however, and now the issue involves making sure that we all learn from this and do not postpone dialogue, but, on the contrary, take the necessary steps to make sure that it is initiated and takes place continuously.

[Zabojnik] Mr. President, what do you think of the usefulness of the customs union and of its future?

[Kovac] I am still convinced that the customs union is good for both countries. This is a progressive and flexible solution to our economic relations. There are no more serious reasons to consider abolishing the customs union. I firmly believe that no such step will be taken. Slovakia and the Czech Republic are trying to integrate themselves gradually into the EU by harmonizing their conditions with its conditions, and, in this context, ending the customs union would be a step backward.

[Zabojnik] Do you also think that, following the establishment of our two independent states, competition and

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comparison are going on between them that sometimes assume certain envious forms?

[Kovac] I consider this mutually motivating rivalry to be natural. So, if Slovak and Czech economists, politicians, and the general public along with them monitor carefully how their closest partner is getting on, I see this as a positive expression of mutual interest, which is certainly much better than if we were to adopt an indifferent attitude toward each other. This also has practical aspects—if one is weaker in something, he notices what the other is doing for his better results.

[Zabojnik] Although Slovakia is more or less keeping in step and is trying to catch a second breath, the view is being promoted generally that the two countries are moving apart unexpectedly fast and are, perhaps, even becoming alienated. Do you feel the same?

[Kovac] It is necessary to differentiate. There are spheres in which there is harmony, and there are others in which officials have to have their say. For example, it is inevitable that certain procedures will be tightened on the border-crossing points. In this sphere of our relations, we can say that this involves moving apart.

[Zabojnik] If I understand you correctly, you are, nevertheless, opposed to erecting any unnecessary barriers between the two states.

[Kovac] I am not aware of any general distance between the two countries or of their alienation from each other. It often only depends on who gives precedence to what reports and what he is pursuing. Czech citizens are again coming to Slovakia in large numbers as tourists or for other purposes. I envisage that their number will rise further. Similarly, Czechs and Slovaks will, perhaps, also return to Bulgaria and other traditional places. We want to see the West and, when we have satisfied ourselves with this, perhaps we will return to the good old places we used to go to when we were young. So, I do not have the impression that interest in contacts between Slovaks and Czechs will wane; rather, I see recovery and growth. Because relations between our countries are determined not only by their governments, I also hope that, for example, many Czech citizens will again like to hear Slovak on radio and television, while this same interest will be manifested the other way around.

[Zabojnik] Is your view of contacts between our countries not also influenced by your relationship with President Havel?

[Kovac] Our relationship is positive and amicable. The fact that we meet often has an influence not only on the two of us, but also, I think, on the overall atmosphere of relations between the Slovak and Czech Republics. Each of our meetings is an opportunity for deeper analysis, and we tell each other openly when something bothers us. Many a time, initiative steps with specific rewards, for which complicated negotiations and intergovernment agreements are not necessary, are the outcome of our meetings.

Parliament Passes Bills Increasing State Role

AU1707201595 Bratislava NARODNA OBRODA in Slovak 14 Jul 95 pp 1-2

[Article by Ivan Samel: "According to Gabriel Palacka, the Coalition Is Striving To Wipe Out the Capital Market"]

[FBIS Translated Text] Bratislava— Yesterday's deliberations in the National Council of the Slovak Republic [NRSR] started with deputies debating the amendment to the law on securities. The aim of the amendment is to move legislation governing this sector closer to European standards. The amendment more precisely categorizes securities and defines procedures to be used in determining their value. According to Gabriel Palacka, Christian Democratic Movement [KDH], at this developmental stage of the Slovak capital market, the amendment will cripple it. He pointed, in particular, to the problem of the new definition of futures trading [terminovane obchody], which, according to Palacka, is directed against the Bratislava Options Exchange (BOB). Brigita Schmognerova, Party of the Democratic Left (SDL), voiced the view that the amendment was not based on the concept for the development of the capital market because the government is incapable of creating such a concept. She said that the basic aim of the amendment was abolition of some types of futures trading and the subsequent abolition of BOB. She criticized strengthening the powers of the Ministry of Finance, which will have the right to withdraw the license to trade in securities and to abolish a stock exchange.

Brigita Schmognerova stressed that the conditions under which the Ministry of Finance can make such decisions are not specified. The deputies eventually approved the draft.

Minister of Economy Jan Ducky also introduced the amendment to the law on investment companies and investment funds, which lays down conditions for their operation. Investment companies and investment funds will be able to operate exclusively as shareholding companies. Investment companies will have to have at least one mutual fund [podielovy fond] and basic assets of at least 20 million korunas. They will not be permitted to extend loans. The amendment excludes investment companies from the management bodies of companies in which they have a stake. Moreover,

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their stake in a single company must not exceed 10 percent. Michal Baranik, Movement for a Democratic Slovakia [HZDS], endorsed a draft resolution tasking the government with working out a new law for this sector, with the aim of strengthening the role of investment companies as strategic investors in the future. According to Viliam Vaskovic (Democratic Union), the amendment is a reflection of the endeavor to create a market environment not by means of market forces but by means of infallible state bureaucrats. He voiced the view that the amendment would stand in the way of the funds' differentiation and specialization. Gabriel Palacka characterized the draft amendment as an evident endeavor to wipe out the nascent capital market. The purpose of the draft, he said, was to usurp economic power and to liquidate strong independent economic entities, which is the case of investment companies. Parliament approved both the amendment and the aforementioned resolution.

The NRSR also debated the law on securing state interests in the privatization of strategically important companies. The law excludes 25 companies from privatization and characterizes 40 companies as strategic, which allows the state to keep in them a so-called golden share. The golden share gives the state the right of veto, regardless of its share in the company's property. In defending the bill, Roman Hofbauer (HZDS) rejected the idea that it reinforces state paternalism. He said that it would stabilize the economic environment for a longer-term period, which even foreign investors will welcome. Mikulas Dzurinda objected to the fact that the bill does not define the term strategic interest, does not determine how long the companies listed will be excluded from privatization, and does not state why they will be excluded. He also asked why, in defiance of the original intentions of Vladimir Meciar's second cabinet, Slovenske Telekomunikacie [Slovak Telecommunications] would not be privatized. Dzurinda's speech triggered a surge of factual remarks and proposals for companies that should be included in, or deleted from, the list of strategic companies. Jan Slota, Slovak National Party, proposed that the debate be concluded, but his motion did not pass. Peter Magvasi (SDL) declared that the amendment introduces indiscriminate state interference without specifying what strategic interest actually means. He pointed out that the amendment was at variance with the Constitution, which permits expropriation or restriction of ownership rights only in the public interest. At the same time, the amendment does not specify the nature of public interest.

[Bratislava SME in Slovak on 14 July on pages 1 and 2 carries a 1,000-word report by "alg, bog, pt" on the 13 July parliamentary session entitled "Coalition Has Changed the Shape of Economic Reform." The report specifies that the amendment to the law on securities was approved by 77 of the 113 deputies present, while 32 deputies were opposed and four abstained. The amendment to the law on investment companies and investment funds was reportedly approved by 77 of the 125 deputies present, with 42 deputies voting against and five abstaining.]

CR Citizens Exempt From Provision of Foreigners Law

AU1707134095 Bratislava PRAVDA in Slovak 14 Jul 95 p 3

[Report by CTK: "Exemption for Citizens of the Czech Republic"]

[FBIS Translated Text] Bratislava—Citizens of the Czech Republic [CR] no longer have to apply for permanent or long-term residence on the territory of Slovakia at only representative missions of the Slovak Republic abroad but can do so directly at district offices of the Slovak Republic Police Corps. This exemption from the law on the stay of foreigners has been issued by the Ministry of Interior solely for citizens of the Czech Republic. This was announced by Pavol Nunuk, director of the Slovak Republic Police Corps' Aliens and Border Police Department, yesterday. He said that citizens of the Czech Republic who have been living in Slovakia for several years, in particular, will benefit from the exemption because they will not have to travel to the Slovak Embassy in Prague to submit their application for permanent or long-term residence. A total of 2,890 citizens of the Czech Republic are currently registered as permanent residents in Slovakia and another 1,049 citizens of the Czech Republic are registered as long-term residents.

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Government Opposes UN Withdrawal From Bosnia

LD1707185495 Budapest Kossuth Radio Network in Hungarian 1700 GMT 17 Jul 95

[FBIS Translated Text] Hungary is against any step that would lead to the escalation of the Yugoslav conflict, Hungarian Foreign Minister Laszlo Kovacs said in the European Union center.

Speaking to Western foreign ministers, Laszlo Kovacs said that there is concern in Hungary about the escalation of the Balkan conflict and a possible further refugee wave. This is why the Hungarian Government does not support the UN peacekeepers' withdrawal from Bosnia and the simultaneous lifting of the arms embargo imposed on the Muslims.

UDMR Leader Writes to Horn About Visa Plans

LD1707202295 Budapest Kossuth Radio Network in Hungarian 1700 GMT 17 Jul 95

[FBIS Translated Text] The Democratic Union of Hungarians in Romania [UDMR] would consider it a bad decision if the Hungarian Government introduced a visa requirement for its eastern neighbors, among them Romania. UDMR Chairman Bela Marko has sent a letter to Gyula Horn regarding this issue.

According to Bela Marko, the measure would have more negative effects than benefits in preventing illegal employment and crime. The introduction of a visa requirement would contradict a basic principle, in which free border crossing has a significant role in the settlement of minority issues. Therefore, the Hungarian community of Transylvania is unambiguously against the visa requirement, the UDMR chairman writes to Gyula Horn.

Kuncze Comments on Domestic Economic Issues

AU1707115195 Budapest NEPSZABADSAG in Hungarian 14 Jul 95 pp 1, 9

[Interview with Gabor Kuncze, Hungarian coalition deputy prime minister and interior minister, by Attila Zsoldos; place and date not given: "It Is Impossible To Survive From Reducing the Costs"]

[FBIS Translated Text] The negative social reception of the Bokros package did not pass by without a trace, and the postponement of some concrete decisions indicates that the government is becoming uncertain, Interior Minister Gabor Kuncze told NEPSZABADSAG. According to him, some of his fellow ministers now have doubts whether the correct economic policy is being followed. However, Kuncze believes that it is still possible to react to the economic processes; therefore, the government must bring concrete decisions by the end of July. Kuncze stated that the replacement of [Education Minister] Gabor Fodor is not on the agenda and the executive body of the Alliance of Free Democrats [SZDSZ] again voted confidence to Fodor a few weeks ago through majority voting.

[Zsoldos] What dilemmas have the Constitutional Court's decisions posed for the government?

[Kuncze] I would like to state it immediately that the Constitutional Court plays a very important role in the Hungarian legal system; therefore, I do not gladly criticize this body's recent decisions. No one has disputed the decisions—which indeed raise big dilemmas—in the government. When the government accepted the Bokros package, it acted in an emergency situation. It had to react quickly to the process of the budget balance and the foreign payment balance becoming upset, otherwise the country's solvency would have come into danger. The essence of the measures was to prevent the unavoidable burdens, which are concomitant with the economy's transformation, from falling on people who need support anyway, instead of those who are still able to bear the latest restrictive measures. The Constitutional Court's decisions made it clear that the government would not be able to implement the changes according to its original intentions and schedule.

[Zsoldos] What alternatives does the government have?

[Kuncze] The question is whether the unavoidable economic measures should hit everyone—for example, this effect would be achieved if the supplementary customs duty, certain types of taxes, energy prices, or social insurance contributions were raised—or we should seek budgetary items on the expenditure side that can be reduced to compensate for the effects of the Constitutional Court's decisions. It is also possible to mix the income increasing and expenditure reducing methods. It is another dilemma whether the government has to change its strategic ideas on the transformation of the welfare systems. As the budget can no longer be financed in its current form, after the Constitutional Court's decisions, there is no other chance but to continue the reform of state administration. In my view, this is the only way to achieve the planned savings.

The Constitutional Court's decision on the personal identification numbers is one of the most problematic ones because, according to current calculations, its implementation would cost a total of 15 billion forints in 1995 and 1996. In addition, it is very likely that it is impossible to switch over to a new system from 1 January 1996. It is possible to set up a unified public administration records system from the current numbers. Europe is also moving in a similar direction in this area; therefore, it is a big question whether we can change

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our records systems so drastically which would cause a significant setback compared to the current conditions.

[Zsoldos] This has been decided.

[Kuncze] It has, however, we must find a solution that conforms to the Constitutional Court's decision but, at the same time, does not destroy our functioning records system. The Constitutional Court's decision is mainly based on the protection of human rights. Bearing this in mind, the possibility of data linkage must be excluded in some way where this is justified. For example, if we stopped the registration system of persons, data, and addresses, we would not be able to prepare an electoral list for a referendum within two days. I can also mention another example. Everyone has to keep his personal tax returns for five years. According to the legal regulations in force, the tax office keeps records of this on the basis of personal identity numbers. Therefore, the tax office will have to continue to use the identity numbers for another five years even if we introduce a new registration system. The Constitutional Court's decision on this issue raises many problems that might not be possible to be solved by 1 January 1996.

Two Kinds of Ideas

[Zsoldos] The government has recently postponed two concrete decisions, one in connection with the 1996 budget guidelines and the other in connection with the package designed to compensate for the losses caused by the Constitutional Court's decisions. What is in the background of the delay?

[Kuncze] Whatever kind of government had come to power in 1994, it would have had to deal with stabilization measures. The processes that began in 1992, have caused serious balance problems in the economy. In 1993, the foreign payment deficit exceeded $3 billion, and as much as $4 billion 1994, while the budget deficit was also very high in these years. The negative processes continued in the second half of 1994 and the first half of 1995. We could not delay the quick and drastic measures anymore. For me, it is perfectly understandable that society was not happy about these measures, and this is what I had expected. If the government had put more effort into explaining the measures, in my view, it could have gained people's support.

[Zsoldos] Things did not turn out this way.

[Kuncze] I repeatedly did so, but I would again like to stress that the government is responsible for failing to do its utmost in justifying the decisions. The unfavorable reaction of the society had its impact on the government. The fact that some of the hastily formulated decisions were not fully justified might have also contributed to the government's uncertainty. This uncertainty can also be reflected by the fact that, until precise data come in on the effects of the measures so far and the six month economic processes, the government refrained from taking some concrete decisions. However, these decisions cannot be delayed too long. Irrespective of whether the measures are popular or not, the government must accept responsibility for them. A decision can be delayed for one week or two, but the budget and economic situation will not change as a result.

[Zsoldos] In you view, how much more can we wait? What is the critical deadline?

[Kuncze] The government will have to come up with concrete decisions at the end of July, because this is the condition for next year's budget to be submitted to Parliament in time. We are now living the days in which it is still possible to react to the economic processes. The longer we delay the decisions, the more difficult the development will be.

[Zsoldos] I already heard this argument from SZDSZ politicians at the time of [former Finance Minister] Laszlo Bekesi's resignation.

[Kuncze] There are two kinds of economic policy concepts. The essence of the one the government has started is that expenses should be reduced by restructuring the budget elements, and the resulting surplus should be used to promote economic growth. Opposing this, the other economic policy concept says that an increase in demand should be promoted by all means, because this way we can achieve an economic growth that provides surplus sources for solving budget problems. This road has not yet been tried out in Hungary because the risk of failure is too big: The budget could collapse before the assertion of favorable effects. However, some government members have doubts on whether we are advancing on the right road. They ask whether we should nevertheless try out the demand-increasing economic policy.

[Zsoldos] What are the effects of the failure to receive international financial aid expected for Hungary's modernization on the government's economic policy efforts? From this point of view, what is your opinion about the prime minister's critical observations regarding the IMF?

[Kuncze] If the government carries out its own program successfully, we will be able to sign an agreement with the IMF. If such an agreement is signed, it will be easier to receive cheaper credits and world bank credits that can be used for economic restructuring, and other very important sources. The IMF raises such tough demands toward us because, in the past, Hungary failed to fulfill

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its obligations. I stress, however, that these measures are necessary not for the sake of the IMF, but because we are unable to finance the functioning and restructuring of the Hungarian economy. Therefore, I think we must argue with the IMF at the negotiating table, rather than in public.

[Zsoldos] What breakthrough points do you see? What areas should enjoy priority?

[Kuncze] A debate took place between the SZDSZ and the finance minister in recent weeks, a debate that was also carried by the press. According to the SZDSZ, the measures aimed at reducing the budget expenses and restructuring the distribution systems cannot be avoided. Parts of the funds saved this way should be used to accelerate the state administration reform and to strengthen the elements of the economic growth that can be maintained. In our view, if the parts of the funds saved this way are used for the above goals, the budget deficit can even be bigger than originally planned, because one cannot make a long-term living out of a drastic reduction of expenses. Only a well-founded economic growth can guarantee a way out of the current situation.

Many Small Packages

[Zsoldos] What is the reason for the difference in the opinion of the finance minister and that of the SZDSZ?

[Kuncze] The finance minister agrees with the principles but, in his view, budget deficit related to the GDP must not exceed 3-3.5 percent, and he would adjust the necessary measures to this. If we wanted to bring the views of the SZDSZ and of the finance minister to a common denominator, we would have to take even more drastic measures regarding the budget expenses. However, the SZDSZ does not see any possibility for this at present.

[Zsoldos] Do you think the criticism is justified according to which the government still has to present a future image to the people?

[Kuncze] We can outline trends that lead into the foggy future and have a very good sound. However, on the short term, we can only responsibly promise that the budget and economic situation can be stabilized this year and the next. This can be the basis of long-term economic growth. It is impossible to present a popular future image for one or two years ahead. In my view, until 1988, the economy can only reach a level in which it no longer requires further drastic measures. Of course, this is problematic because, for 10 years, the people have been told to bear this one year more. The previous governments also decided to take certain measures, but these measures never created the basis of real restructuring. Unfortunately, we also must say that people should bear a little more for the positive economic processes to really start this time.

[Zoldos] What must they bear? The Constitutional Court eliminated important elements of the Bokros package. What can we expect now?

[Kuncze] Well, the problem with the current situation is that, after the 12 March measures, one could notice that people in many areas were thinking about what could be done. A lot of people began making their own small Bokros package, and this was noticeable in individual life strategies, the strategies of certain local governments, and in the case of various distribution systems. Although it says something else, many people interpreted the decision of the Constitutional Court by calming themselves and saying that, well, no one can touch their lives, the standard of living they are accustomed to, or their distribution systems. This is a wishful thinking. The government has no other choice but to continue to advance on the road it has chosen. We must accept the fact that everyone has to bear the burden of restructuring the large distribution systems. Many people will enjoy less support than they are accustomed to, while the people really in need will continue to receive the basic allocations. We must also acknowledge the fact that the transition period we have been talking about for years is still on. This can have very unpleasant effects on individuals, and they might have to build up a new life strategy, but the government must nevertheless take the measures aimed at bringing about economic stability and well-founded economic growth.

[Zsoldos] A serious political decision of the ruling parties is which social strata should bear the burdens of restructuring. What are the government's possibilities in this respect?

[Kuncze] There are measures that automatically increase inflation, and this affects everyone. However, in the case of people who really fall down the hill, we must strengthen their social support, as the government did in the supplementary budget, because these people do not have the possibility to avoid the negative effects. These measures affect some middle strata people more than the average, because they lose certain allocations. Of course, we can argue on where to draw the line under which one is still regarded as a person in need, and above all which one is no longer regarded as such. Although these measures affect the higher 5 percent of society, they have many possibilities to defend themselves against the unpleasant effects. However, in my view, the idea that the high income of these people should be reduced by means of very high taxes and, thus, obtain considerable surplus income for the budget

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is an illusion. Such measures lead to an increase in the black economy and in hidden incomes, and they suggest that income should be spent because the state will take it away anyway. They already tried this in Sweden and this was the result. It is not true that the Bokros package spares the well-to-do people. However, if we put exaggerated burdens on these strata of the society, this would bring more disadvantages than profits to the budget.

There Are Things To Improve

[Zsoldos] Reviewing the one year that has passed, what would you change basically in the activity of the government?

[Kuncze] I would change the following: The government leaves a very limited time framework for decisions. One has the feeling that the government is in a constant state of stress. There is no time to thoroughly consider certain issues. We must change this. We must give sufficient time for the ministries to prepare their proposals, for public administration to coordinate the positions, and for government party groups in Parliament to give their opinions. The government can only take well-founded decisions after such preparations. This would also have political benefits, because the government would provide much less reason for criticism. The other important thing is that, once a decision situation emerges on a given issue, the government should make that decision, because any delay causes damage. For example, if the decisions on privatization had been made in September 1994 and if Parliament had adopted the law in the autumn of last year, the budget deficit would have been smaller today. The third viewpoint is that the government must really improve its way of contact with the society.

[Zsoldos] According to opinion polls, the government is in really serious trouble in this respect.

[Kuncze] The opinion polls indeed reflect this and, naturally, this is not the public's fault.

[Zsoldos] Speaking about the SZDSZ, is it true that, along with the firing of Laszlo Pal, the prime minister also proposed to replace Gabor Fodor?

[Kuncze] The prime minister occasionally criticizes the activity of various inistries, and this is what happened in the case of the Education Ministry. This is also partly the reason why the SZDSZ executive body put this issue on its agenda and came up with a majority vote in favor of having confidence in Education Minister Gabor Fodor. It is well known that the prime minister and Gabor Fodor agreed recently on the principles of the Education Ministry activity. Obviously, the ministry will have to fulfill these principles in the future. Replacing Gabor Fodor is not on the agenda of the cabinet today.

Economists Examine Stabilization Program

95CH0299A Budapest HETI VILAGGAZDASAG in Hungarian 24 Jun 95 pp 95-97

[Article by Gyorgyi Kocsis: "The Bokros Cube; Economists on Stabilization"]

[FBIS Translated Text] Those who were hoping for rash promises about impending economic growth were presumably disappointed at the regional conference of economists last week in Miskolc. The short-term reward of the hard stabilization shock therapy which Hungarian society must endure in 1995-96 will be nothing more than the avoidance of an economic collapse, but a lasting upswing might follow, we heard from the finance minister who, after his first 100 days in office, charted a definite course for the next 100, as well.

It is currently hardly possible for Hungarian economists to find a solid point where they could get a foothold and look around to find out whether economic policy is on the right track. The regional conference of economists held last week in Miskolc by the Hungarian Economic Society took place approximately midway between the emergency shot given to the economy in March and the major surgery to follow next year, in the intermission between two IMF negotiations, that is to say, at a time when not even a single piece of evidence confirms the direction taken by the government's stabilization program; moreover, a series of contradictory pieces of information explicitly disturb one's sense of orientation.

According to items published in the press in the past few days, after the U.S. debtor rating company, Moody's, The Economist in London also "humiliated" Hungary by putting not only the Czech Republic and Poland, but also Slovakia ahead of Hungary in its rating of credit risks, precisely at a time when the Hungarian National Bank successfully launched a package of bonds on the German market worth 500 million German marks. "It seems that the earlier pace of the deterioration in the economy's equilibrium slackened," Gyorgy Suranyi, president of the central bank ventured to say; at the same time, the mid-June summary of the consulting firm CS First Boston which prepares economic guides for investors noted with surprise that the April tariff statistics show a decelerated rate of growth for exports and the acceleration of imports.

Thus, for the time being, it is a matter of professional conviction to what extent anyone believes in the logic of the Bokros package, that is to say, that society and the economy operate according to the mechanisms he

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postulates. That a certain amount of caution is not superfluous was pointed out by one of the finance minister's closest intellectual peers, economist Laszlo Antal in Miskolc: "We are not sufficiently familiar with the behavior of the actors in the economy, and it is difficult to calculate their reactions," he said. It is obvious that Lajos Bokros himself is not plagued by doubts. "This is not a liberal, not a conservative, not a right-wing, not a left-wing, but the only possible economic policy," the finance minister announced as he was drawing up a quick assessment of the first 100 days at the regional conference. It is undoubtedly true, however, that the majority of experts is also convinced that continuing the earlier hesitant Hungarian economic policy would not lead to the desired lasting growth, but to a quick catastrophe, to bankruptcy. In the improvement of the financial situation, one must reach "escape velocity" before the economy can reach the proper orbit, as Laszlo Antal illustrated the essence of the Bokros shock therapy with a simile from astronautics.

All those, however, who found the speed up to now breathtaking already, will have to hang on tight. Namely, as the finance minister, just back from Washington, who is known for his brutal honesty commented in his speech in Miskolc on the March measures of the IMF, "This is still too little." But burdened by the $31 billion foreign debt accumulated by the successive governments of the past decade and a half, Hungary can hardly brush aside the advice of the IMF which is authoritative for creditors. All the less so because in recent years Hungary accumulated not only a monetary deficit, but also a deficit of trust. The fact that after the spring of 1992 the previous government did not fulfill a single contract negotiated with the IMF played an extremely large role in the striking deterioration of the international opinion of the Hungarian economy.

Following the recent meeting between Prime Minister Gyula Horn and Michel Camdessus, director general of the IMF, the IMF wrote a prescription for no less than five different medicines: In 1995-96 the net amount of Hungary's debt must not increase; the budget deficit must be considerably reduced; a strict monetary policy and a crawling peg exchange rate correction must continue; the structure of the budget must be transformed (within it, the central administration, the tax system, and the social insurance, while also providing sufficient support for the needy); and privatization must receive a new impetus. The "swallowing" of this mixture is the prerequisite for entering into standby arrangements amounting to $300 million this year, and indirectly, for the ability to finance the economy next year.

The 1996 budget guidelines which appear on the cabinet's table week after week, and according to plans will be put on parliament's agenda at the end of June, dress these requirements into concrete figures, the finance minister told his Miskolc audience. The most important figure is the macrofinance indicator, according to which the current budget deficit cannot exceed $2 billion, contrasted to the $2.5-3 billion calculated for this year. "This is the amount which can still be counterbalanced by the import of working capital in the usual sense, excluding privatization income which qualifies as a one-time and irreproducible source," Bokros emphasized. It is remarkable that this formulation is basically a word-for-word translation of the IMF regulation which prescribes the exclusion of privatization income from the calculation of the deficit, and thus, beyond pointing to worries about the success of planned privatization, it indicates a considerable change from Bokros's earlier calculations which regarded privatization income as an integral part of the budget.

The planned budget deficit measured in relation to the GDP compared to the 6-6.5 percent posited in the supplementary budget (which without the March "package" would have reached 9-10 percent of the GDP) can be 3.5-4 percent in 1996, Lajos Bokros continued his prognosis in Miskolc. "Among all the measures, this step is most conducive to growth," the minister added, saying that due to the drastic restriction on overspending by the state, domestic savings can be channeled into the business sphere instead of the central coffers, and the upward pressure on interest rates will cease.

Contrary to this year's measures, next year's deficit reduction will be coupled with real budget reform, Bokros forecast, as he mentioned, among other things, the establishment of a treasury which would enable more frugal, rational budgeting, concurrently with the reform of the health care and pension systems, the perceptible decrease of social insurance contributions, and the transformation of the financing of local governments. At the same time, the sharp-eared audience might have heard a certain amount of self-criticism in the minister's words resulting perhaps from lessons drawn from public and professional storms and failures with the Constitutional Court. "Bludgeon policies are a thing of the past," Bokros announced, adding: "I acknowledge the criticism; on 12 March, there were no other possibilities, because we would still be mired in discussions." However, the minister promises to spend more time on the preparation of next year's measures. Now, as a new tactic, the minister plans to set the portfolios which think that their independence is violated against each other. Bokros's plan is that in the future, the individual ministries would have the privilege, duty, and responsibil-

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ity not only to prepare professional reforms, but also to divide the skimpy spoils of the budget given by the finance ministry.

The boldest operation of economic policy in recent decades, the amputation of the budget deficit to nearly one-third of its present size, has been accompanied by society's wails in recent months, even though a number of changes will only be implemented later. Although the group of the professional public which believes in the possibility of a gentler treatment instead of this painful remedy was inadequately represented at the Miskolc economist convention, Socialist representative Laszlo Bekesi marshaled weighty arguments against the illusion of an "easier road." Such theories, which are avowed most strikingly perhaps by the trade unions, Bekesi explained, "are strategies of unsecured growth," which urge the government to "flee forward," that is to say, to increase the growth of the economy, as a consequence of which financial balance would be automatically restored later. "Since our indebtedness can no longer be increased, every such proposal includes the explicit or implicit requirement to finance the growth by deferring payments for the servicing of our debts, but this assumption is unrealistic today," Bekesi argued, who believes that because of the direct connection between the state's external and internal indebtedness the separate treatment of the two kinds of deficit and the artificial cap on real interest rates is not a viable alternative.

At the same time, it might have surprised many in Miskolc that Andras Vertes, director of the Economic Research Institute [GKI], who is generally in favor of a strict economic policy, advanced a few cautious reservations concerning the radical efforts of the Bokros policy to whittle down the deficit. The researcher thinks that the prospects for exports and domestic savings are optimal, and that through the additional import of capital for foreign companies which have established themselves in Hungary, the economy could sustain a budget deficit next year which would be somewhat larger than the one planned; in his opinion, this would be worth the risk, because it is hardly possible to restructure the budget and reduce the deficit at the same time. "Let us not be spellbound by certain figures," Vertes warned, pointing out that the budget deficit proposed for next year at 3 percent of the GDP was lower than the current 5.5 percent average of the European Union and the index of most EU countries.

However, the director of the GKI thought that the taming of inflation was slow compared to the pace of deficit reduction; official plans peg it at 24 percent compared to this year's 28 percent. He attributes this to the failure of a social agreement on limiting wage increases. "With a more forceful anti-inflationary policy, a perhaps 5 percent budget deficit next year would automatically be reduced to the desired 3 percent by 1997," Vertes claimed, who was supported in this matter by no less an authority than Janos Kornai. The famous professor of economics, most recently member of the board of the central bank, pointed out that with the introduction of the crawling peg, the central bank which is supposed to warrant the stability of the forint, chained itself to the government's economic policy, even though the government has only limited influence on the size of inflation. Namely, a general level of wage increases in excess of economic output can contribute greatly to a loss of value of the currency, and in Hungary, in contrast to a number of countries which instituted stabilization measures, there was no wage freeze.

Lajos Bokros has not yet been able to solve the Rubik cube consisting of the reduction of the budget deficit, the exchange rate policy to stimulate exports, the reining in of purchasing power to a politically tolerable extent, and an inflation which can be tolerated by society, and this was visible from the fact that in Miskolc the finance minister himself called the limiting of income one of the weakest links in the chain of his program. "Instead of the 9 percent devaluation in March, we could have done 25 percent, and in this case, the faster inflation would have devalued income," he said. "Instead, we decided to try a smaller devaluation generating less inflation, but in the matter of limiting wages, we count on the cooperation of society."

This expected social cooperation is surely the greatest question mark of the stabilization program, especially because Lajos Bokros, with the secret injection of money from his own bank, with his own severance pay affair, gave a "high ball" to those who intend to smash his program. "I regard the 16 million, the 12 billion, and the 25 points as a syndrome," Sandor Nagy, chairman of the National Federation of Trade Unions, who is not known as a Bokros fan, stated last week. The statement by the trade union mogul contains in a condensed form the factors which Laszlo Bekesi enumerated at the Miskolc regional conference of economists as the greatest social obstacles in the way of stabilization: The widespread lack of knowledge about the economy, the impatience of politicians, and the strong social nostalgia for something which will never return.

Half of State Assets Already Privatized

AU1707201695 Budapest NEPSZABADSAG in Hungarian 14 Jul 95 pp 1, 5

[Article by Agnes Peredi: "State Assets Have Been Halved—They Were Estimated at 2-3 Trillion Forints

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at the Beginning—Today, There Are More Private Companies"]

[FBIS Translated Text] The size of state assets has been a topic of discussion since the beginning of privatization. It was officially estimated at 2,000 billion forints [Ft] at the beginning, but some expert opinions considered Ft3,000 billion realistic. Today, the latter seems more likely because, in the sixth year of privatization, the State Privatization and Asset Management Corporation [APV RT] still has more than Ft1,500 billion in ownership rights in companies whose assets are valued at Ft2,000 billion.

The reason for the debate on the size of assets is that Hungary did not a traditions of property assessment. [as received] For this reason, especially at the beginning, the companies' assets were registered almost like an inventory. However, book value and actual business value are often different. This is a source of dispute in many cases, for example, when the total asset value is assessed, or for concrete company sales, such as the HungarHotels sale.

An agreement has more or less been reached on the point that half of the original assets have been sold to private owners. According to some calculations, more than 60 percent of GDP comes from the private sector. Naturally, in addition to the companies sold through privatization, this figure also includes companies set up as greenfield investments. In addition to buying into various industries at the beginning of privatization, this form was often more attractive for foreign capital. The most promising profitable areas such as food processing, tobacco, sugar, construction, and construction material industries sold rather quickly.

In 1990, some 1,848 companies were owned by the state, while today the APV RT has 819 functioning companies on its records. Out of these, the assets of the 160 companies transferred from the State Property Management Corporation (AVRT) exceed Ft1,300 biilion, of which Ft1,200 billion still belongs to the state. This group of companies includes the big ones—for example, the Hungarian Power Plants Trust with its Ft500-600 billion assets, and the Hungarian Oil and Natural Gas Corporation with is more than Ft200 billion assets—a section of which will be kept in long-term state ownership but parts to be sold can amount to as much as 80 percent of privatization incomes.

The assets of the former State Property Agency had become rather low by the time the new privatization organizations was formed. The almost 300 companies which should be advertised for simplified privatization before the end of 1995 will come out of the assets worth Ft200 billion.

The state only has a minority share in assets worth as much as Ft900 billion. The APV Rt wants to sell these shares of ownership rather quickly, and they will first be offered to the majority owner.

The APV RT received assets at a value of Ft35-40 billion from the Treasury Assets Management Agency. These are estimated figures; the assessment of the new privatization organization's assets has not yet been completed.

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RRF Gen Soubirou on Possible Intervention

BR1807132995 Paris LE FIGARO in French 18 Jul 95 p 2

[Interview with French General Soubirou, Rapid Reaction Force chief in Bosnia, by Patrick de Saint-Exupery in Tomislavgrad; date not given: "General Soubirou: 'No Action Over Gorazde Without Helicopters'"]

[FBIS Translated Text] [Saint-Exupery] Is the Rapid Reaction Force [RRF] ready to act?

[Soubirou] The RRF consists of three elements. There is the multinational brigade, which is my responsibility: It includes 3,700 French and British troops. The second element is Britain's 24th Airborne Brigade: 4,000 men not yet deployed. Last, we have in France, in a state of standing alert, the 4,000 men making up the Balbuzard Brigade. As for the multinational brigade, it is ready to engage in actions at its own level, that is, land-based actions using weapons.

[Saint-Exupery] But are your soldiers operational?

[Soubirou] Yes, they are perfectly trained. The high command has now achieved a level of preparedness and cohesion sufficient to conduct joint operations.

[Saint-Exupery] If you are asked to intervene, are you available?

[Soubirou] Yes.

[Saint-Exupery] Within what kind of a time frame?

[Soubirou] A few hours. We are ready at any time. The command center is a highly mobile one and can get moving at any time.

[Saint-Exupery] You are only waiting for orders?

[Soubirou] Yes.

[Saint-Exupery] Is not the lack of heavy air support a hindrance?

[Soubirou] It limits the scope of our operations. Today, there is no question of conducting an action over Gorazde. The multinational brigade does not have the means it would need to conduct large-scale operations over the enclaves. If we were given a heavy airborne capability, things would be different.

Still Reluctant

[Saint-Exupery] On the other hand, you could intervene on the Igman road, the only remaining access point to Sarajevo?

[Soubirou] This would presuppose that we are free to move on the territory controlled by the Croatians and the Bosnian forces.

[Saint-Exupery] And this is not the case?

[Soubirou] Despite official statements, some people are still reluctant. There are talks going on about this over which I have no control. I can only consider that once I will actually have to move, my freedom of movement will be limited.

[Saint-Exupery] So, all told, your capabilities are still insufficient?

[Soubirou] We do not have all the RRF's resources. Only those of the multinational brigade.

[Saint-Exupery] When are the other units due to be on site?

[Soubirou] Britain's 24th Airborne Brigade, with some 50 helicopters, was scheduled to arrive in early August. Will its deployment be hastened as a result of recent events? We shall see.

[Saint-Exupery] You can only target very limited objectives?

[Soubirou] Yes, objectives within my reach, limited both in space and in time. A durable operation such as maintaining a corridor would wear us out and deprive us of our reaction capability. Of course, we will do what our commander tells us to, and our commander here, in Bosnia-Herzegovina, is General Rupert Smith, head of the UN Protection Force.

[Saint-Exupery] Your commander is a Blue Helmet....

[Soubirou] Yes. We act under the UN flag and as part of the UN mandate.

[Saint-Exupery] With the same rules regarding involvement?

[Soubirou] Yes, although we did adjust them to fit the weapons we brought with us. The cannons, mortars, and armed helicopters we have are new here. However, their use will still be in self-defense.

[Saint-Exupery] Is it still self-defense if you are asked to enforce security on the Sarajevo road?

[Soubirou] If the Blue Helmets are free to move about as they please, then we have no reason to intervene. If they are not, we must help them. If someone attempts to prevent the Blue Helmets from carrying out their mission, or if they are under threat, we will act.

[Saint-Exupery] The multinational brigade was supposed to be operational before the Srebrenica crisis. Why did you not intervene even though Blue Helmets were being threatened?

[Soubirou] I think those who had to make the decision considered that we could not intervene in Srebrenica.

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[Saint-Exupery] Is it not embarrassing, as RRF chief, to have to acknowledge that you do not possess the necessary means to react?

[Soubirou] This is not my problem. I said on 13 July that the multinational brigade was ready to use the means it had at its disposal. Unfortunately, I believe that on that day, Srebrenica's fate had already been sealed.

[Saint-Exupery] As is today the case for Zepa?

[Soubirou] Exactly right!

[Saint-Exupery] So your brigade can really intervene only over Gorazde or Sarajevo?

[Soubirou] With the RRF capabilities currently deployed, actions around Sarajevo are likely. As for Gorazde, we must wait for other forces to join us.

Ultimate Consequence

[Saint-Exupery] Is there not a risk that the RRF might turn into a rapid withdrawal force?

[Soubirou] I totally deny that. We are not here to prepare for withdrawal. We are here to support peacekeeping actions, improve security for the Blue Helmets, and help them redeploy if need be. There is a possibility that the United Nations might be constrained to initiate withdrawal. Obviously, since we are present in the field, we would not sit on our hands. However, this is not an objective, merely an ultimate consequence.

[Saint-Exupery] Was not attacking Srebrenica a way for the Serbs to test the RRF?

[Soubirou] This is a possibility. Since they knew the RRF was not completely operational, they might have decided to take advantage of the situation.

[Saint-Exupery] Is this not a fact?

[Soubirou] Who knows what is going on in the minds of Serbian leaders!

[Saint-Exupery] Has the RRF's deterrence mission not lost its credibility on this occasion?

[Soubirou] No, the RRF's credibility would have been harmed if the force had been completely operational. This is a problem we shall have to deal with when once the RRF is complete.

[Saint-Exupery] But the day the RRF is complete, safe areas will have fallen, and you may well have pretty little left to do?

[Soubirou] This is another issue.

[Saint-Exupery] In case of an actual involvement, are you ready to lose men?

[Soubirou] I believe that those people who will give us the order to intervene are ready to accept a higher level of risk. This change in attitude is perceptible. At least, on the French side, it is very clear.

Ukrainian Ambassador on Crisis, Troops

MS1807082395 London BBC Television Network in English 2130 GMT 17 Jul 95

[Interview with Ukrainian Ambassador Sergey Komissarenko by Kirsty Wark; from the "Newsnight" program—live]

[FBIS Transcribed Text] [Wark] Well I am joined now by the Ukrainian Ambassador Sergey Komissarenko. Ambassador Komissarenko you have already lost 12 Ukrainian peacekeepers, 50 more wounded, your men are in Zepa and Gorazde, do you think from what you hear from them tonight that they are in severe danger tonight?

[Komissarenko] Well, I think that they are in danger, certainly in Zepa, yes.

[Wark] And what do they say, what is the mood of the men that are in Zepa?

[Komissarenko] Well, you know you were just watching horrible scenes of atrocities, but where is the solution for the problem; and the solution of the problem is for the conflicting parties and the United Nations to provide the framework, support, full strength support, for the conflicting parties to resolve this problem. Our people are in ex-Yugoslavia, in Croatia and in Bosnia, and in Zepa only 79 people which are now in horrible state—each hour it is becoming worse and worse.

[Wark] Sticking with Zepa at the moment, President Izetbegovic has offered to negotiate with the Bosnian Serbs to remove all the sick and wounded from Zepa; presumably that is a sign in the direction of that diplomacy that you are talking about?

[Komissarenko] The things...yes, this is a way to resolve this problem, political dialogue has to be between the parties.

[Wark] At the same time your foreign minister has promised to more than double the number of Ukrainian troops that are sent to the former Yugoslavia. What do you think they would achieve?

[Komissarenko] Well, first of all, we have another battalion in Croatia and maybe quite recently it will be moved to Bosnia, to the eastern sector of Bosnia, and this is some more than 500 people more. Also, our government asked the parliament, and it is for the parliament to decide, at the beginning of autumn

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to move some 1,600 more people to enforce the peacekeeping forces in ex-Yugoslavia. They are very very important, but again they cannot resolve the problem for the conflicting parties, this is their matter actually to bring wisdom and political decision.

[Wark] What do you think could improve the method of the UN operation? What is not going right at the moment as far as the Ukrainian's are concerned?

[Komissarenko] Well, you know, I am not a military man, but certainly a lot of sense can be improved let's say a good management of peacekeeping operations [sentence as heard].

[Wark] Who could do that?

[Komissarenko] You know, I think that the very important gathering will be this Friday in London, it was Prime Minister's initiative and our minister for foreign affairs and minister for defense are coming as well as from other countries, and I think this is also a possibility to make a framework for better cooperation between the parties who help to solve this problem in ex-Yugoslavia.

[Wark] What would happen if there was a unilateral lifting by America of the arms embargo?

[Komissarenko] Well nobody knows, but you know I think that lifting the embargo...first of all still why unilaterally why only to Bosnia. The embargo works for all the parties, but if everybody or most of the people really think or can predict that lifting of embargo will be solution for the problem everybody will vote for this, but who can be confident, who can really assure that it will bring not to expand the conflict, because usually these things a lot of arms only can provide, can give another burst for the conflict to expand, and, excuse me, but I think that these three years actually showed another way that the military conflict did bring a solution for the problem in ex-Yugoslavia.

Izetbegovic Looks Back on Five Years of SDA

AU1807090095 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 13-20 Jul 95 p 6

[Report by S. Luckin: "Committed to Democracy and the Idea of Freedom"]

[FBIS Translated Text] "The Party of Democratic Action [SDA], after five years of activity, has remained faithful to the principles of freedom, democracy, and observance of human rights," Alija Izetbegovic, SDA chairman and president of the Presidency of the Republic of Bosnia-Herzegovina, said at a meeting of the SDA Executive Committee in Sarajevo on the occasion of the party's fifth anniversary.

Pointing to the SDA's current qualities, Izetbegovic stressed the commitment to the idea of Bosnia without counting the cost. In addition, the SDA has revived the national awareness of the Muslim people and restored its self-confidence and historic name. Furthermore, it has not forgotten the brothers in the Sandzak, has defined the goals in education and school curricula, has proclaimed a principle against hate and revanchism, and has stuck to it adamantly.

"We are the majority, but we do not pursue a dictatorship of the majority," Izetbegovic pointed out at the meeting, at which many guests took part, among whom there was Mustafa efendi Ceric, the reis-ul-ulema, [the head] of the Islamic Community of Bosnia-Herzegovina, Iranian Ambassador to Bosnia-Herzegovina Mohamed Ebrahim Taherijan, members of the General Staff of the Bosnia-Herzegovina Army, members of Preporod [cultural society], the Merhamet humanitarian organization, the Congress of Bosniak Intellectuals, the Muslim Matica, as well as the SDA deputies in the Assembly of Bosnia-Herzegovina and government ministers.

Search for Reasonable Solutions

These principles are proof that the SDA has remained faithful to the basic principles stated in its platform adopted five years ago at the party's founding assembly. Izetbegovic devoted part of his address to recalling those first days of the SDA, when the nationalist hysteria in Serbia was already in full swing. The public statement issued by 40 Muslim citizens on 27 March 1990 ushered in the founding of the political party to protect the interests of the Muslim nation.

Izetbegovic recalled that, within the SDA at the time, there was a strong belief in the possibility of preserving Yugoslavia. For that reason, until the beginning of the aggression, they worked for the preservation of Yugoslavia but one on different foundations, which would ensure the observance of the principle of equality of every nation, including the Muslim nation.

"We should not feel ashamed about these efforts, even though they eventually proved to be in vain. On the contrary, everything that we were saying and doing then shows that we are responsible people, who, aware of the serious situation, searched for a political and reasonable solution until the very last day," Izetbegovic said.

However, the situation in former Yugoslavia was deteriorating constantly. In such a situation, 15 days before the onset of war in Slovenia, the SDA organized a meeting on 10 June 1991 in Sarajevo, of almost all the prominent personalities of the Muslim nation from all over former Yugoslavia. There it was decided that

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the Council for the National Defense of the Muslim Nation should be formed, by which actually the preparations for armed defense against the looming aggression against Bosnia-Herzegovina were started. A little earlier, the Patriotic League had been organized, through which a network of armed units of resistance had been established throughout Bosnia-Herzegovina.

After the international recognition of Bosnia-Herzegovina, Serbia and Montenegro openly launched the aggression against Bosnia-Herzegovina. "Thus started the most horrible and bloodiest war in the history of Bosnia-Herzegovina and even the history of the Balkans," the SDA chairman said. "Tough resistance was offered particularly in the big cities, to which SDA members contributed considerably," Izetbegovic pointed out.

President Izetbegovic also recalled some political decisions initiated by the SDA. In late October 1993, the state authorities were required to end corruption and despotism on the part of some units of the Bosnia-Herzegovina Army in Sarajevo. In addition, Fikret Abdic's proclamation of the so-called autonomous province of western Bosnia was denounced as high treason.

Persevered Through Challenges

Since the actual signing of the Washington Agreement, the SDA has expressed its support for the implementation of this document.

"The Federation, however, is encountering difficulties because some influential people in the so-called Herzeg-Bosnia, desiring to hang on to their positions and privileges, are openly hampering its implementation. Still, the SDA's determination to settle such problems through direct contacts with the leadership of the Croatian Democratic Community has produced certain results," Izetbegovic said.

He also reviewed the latest SDA initiative regarding the change of part of the Constitution of Bosnia-Herzegovina, by which it would be possible for the Bosnia-Herzegovina Assembly to elect the president of the Presidency. He pointed out that he personally was the initiator of that constitutional change, adding that the disputed issue should be settled in such a way as to secure the interest of our people to the greatest degree.

Izetbegovic also referred to the recent deaths of Irfan Ljubijankic, Izet Muhamedagic, Mensur Sabulic, and Major Fadil Pekic, saying that they were veteran fighters of the party.

"These four martyrs of ours have joined the long column of those who lost their lives in the struggle for faith and freedom," Izetbegovic said. He added that he had no reliable data about the number of party members who have been killed in the course of the aggression. It is known, however, that in 61 municipalities 163 party officials have been killed, 123 of whom as members of the Armed Forces of Bosnia-Herzegovina. Izetbegovic singled out only a few dramatic deaths among the SDA membership. Thus, of the initial 15 members of the Municipal Board of the SDA in Nevesinje, only three are still alive. Or, for instance, of the 370 SDA members who were taken prisoner after the fall of Foca, only one is still alive.

Referring to these events as milestones on a hard road, Izetbegovic concluded that the way had been not quite straight, there had been ups and downs, vacillations and determination. "Faced with the horrors of war many have left, but the majority of our members have persevered through all the tribulations, believing in God and his promise that he will help the nation that is determined to help itself," he concluded.

Silajdzic Views Talks With U.S. Ambassador

AU1707184395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 17 Jul 95

[Interview with Prime Minister Haris Silajdzic by Samir Huseinovic in Sarajevo on 17 July—recorded]

[FBIS Translated Text] [Huseinovic] Mr. Silajdzic, you have had talks with U.S. Ambassador Mr. Menzies. Were the talks conducted in the light of the latest developments in eastern Bosnia?

[Silajdzic] I have to say that there is nothing new here, that the ambassador still does not know what the final decision of the U.S. Administration will be regarding Zepa. We primarily discussed tomorrow's vote by the Senate, it will probably take place tomorrow, which is expected to pass by a two-thirds majority the lifting of the arms embargo under certain conditions, as proposed by Mr. Dole and others in the Senate.

At the moment, the U.S. ambassador does not have any information that he can convey to me.

[Huseinovic] What is your information regarding the developments in and around Zepa?

[Silajdzic] I hear that our fighters are putting up a good fight, regardless of the fact that the enemy is attacking with all sorts of weapons, and that they are inflicting heavy losses on the Serb terrorists.

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Decries Serb 'Aggression'

LD1707195295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 17 Jul 95

[FBIS Translated Text] Here is what Prime Minister Haris Silajdzic told our reporter Midheta Kurspahic:

[Begin recording] [Kurspahic] The latest reports say that Karadzic's Chetniks and the Chetniks who are arriving in Bosnia across the Drina from Serbia are continuing their attacks on yet another Bosnia-Herzegovina protected zone—Zepa [words indistinct] according to reports that you have?

[Silajdzic] I think it is good to emphasize the fact that the aggression is being carried out from Serbia completely openly now [words indistinct] tanks are coming, oil reaches Serbia via Romania. All in all, aggression is being perpetrated by Serbia. As our attention is now focused on the human tragedy which is in progress, we have not spoken too much about this. Serbia is carrying out open aggression on Bosnia-Herzegovina and it is necessary to stress it now.

On the other hand, it is true that they are on the attack—these are Serb terrorists who are using all means at their disposal. However, it is true that our soldiers are putting up a very good defense, which is unusually good, given what weapons they have at their disposal. As far as I know, our defense lines have not shifted; of course, our soldiers lack food, medicine, and other things, which is normal, but we have heard that the Serb terrorists have suffered huge losses.

[Kurspahic] [words indistinct] session of the government of the Republic and the Federation of Bosnia-Herzegovina. After the [word indistinct] session, a part of the session was held behind closed doors and was devoted to Zepa.

[Silajdzic] The part of the session which was held behind closed doors was devoted to the situation in all parts which are temporarily controlled by the aggressor, especially areas in the Drina valley; today [words indistinct] Gorazde, the head of the executive committee of the district [words indistinct] also attended the session and briefed us on all the details in connection with the situation there. At the same time, the government adopted a decision to offer maximum assistance to Gorazde, even though our capabilities are not that great.

[Kurspahic] Mr. Premier, what is your comment on the latest initiatives that are being circulated in Europe, primarily in Paris? In this case the initiator is French President Chirac.

[Silajdzic] [words indistinct] diplomatic activities in [word indistinct] context, which we already know, is probably in keeping with the decision of the U.S. Senate on lifting the arms embargo. As far as we know, there is an atmosphere which indicates that even the two-thirds majority in the Senate may back this decision in the form which is being put forward by Mr. Dole. On the one hand, these European initiatives, we, of course, welcome the French one in particular. On the other hand, there [words indistinct] in London in particular. Our message in this news bulletin, it is our view that if the French proposal is regarded as insufficiently serious then it should be reexamined by letting the British and the French find out together whether or not this is a sound thing. [passage indistinct]

I believe that within the next few days or weeks the political and diplomatic situation will unfold to our benefit. [end recording]

Sacirbegovic Says UN Mission 'at Its End'

AU1807110995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 18 Jul 95

[FBIS Translated Text] Muhamed Sacirbegovic, minister of foreign affairs of Bosnia-Herzegovina, said that the UN mission is at its end and that it is no longer acceptable as a basis of peace operations in Bosnia-Herzegovina. Minister Sacirbegovic said that if the UN forces fail to withdraw of their own will, the Government of Bosnia-Herzegovina will request that their mission be ended by November. According to Sacirbegovic, the UN presence represents an obstacle to a harsher Western action against Karadzic's Serbs.

Minister on Terms for UNPROFOR Extension

AU1707174595 Split SLOBODNA DALMACIJA in Serbo-Croatian 14 Jul 95 p 5

[Interview with Hasan Muratovic, chairman of the Bosnia-Herzegovina State Commission for Relations With the UN Protection Force, by Zdravko Soldic; place and date not given: "We Certainly Have To Get Rid of Akashi"]

[FBIS Translated Excerpt] Slowly, but surely, minister Hasan Muratovic is entering the narrowest political circle of the authorities of Bosnia-Herzegovina, having distinguished himself as chairman of the State Committee for Relations With the UN. Besides having the best references, Muratovic was also given the title of minister. The authorities, as well as the people in Bosnia-Herzegovina, think highly of him. In addition to serving as minister, he has also been working as a professor of information science at the College of Engineering and the Economic College. He is not a member of any political party.

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[Soldic] Mr. Muratovic, it is known that the government of Bosnia-Herzegovina refuses to talk to Akashi and Stoltenberg. Does that mean that you will talk only to Bildt or you will sever talks with Geneva Conference mediators?

[Muratovic] We did not talk to Stoltenberg at times when we did not want to talk to Lord Owen. When Bildt was put in Owen's office, I was going to a meeting in Zagreb with Stoltenberg. So, we have established relations with the Geneva Conference, having contacted Bildt and Stoltenberg. Last year we had no contacts with Akashi for more than six months, and we do not have any contacts with him for many reasons, first of all because, in our opinion, having contacts with him has always been disadvantageous for us. Getting involved with problems and trying to solve them, he usually solved them in a wrong way and inflicted excessive damage on us.

For example, he sent a delegation to Pale, which agreed that UNHCR convoys would be escorted by the Serb police, and not by UNPROFOR [UN Protection Force], which was unacceptable to us. UNHCR also found it unacceptable and the agreement failed, so that humanitarian aid has not been delivered further.

Akashi prevented the opening of the Igman road, which we had agreed with the Sarajevo UNPROFOR. You have seen that he had sent a letter to Karadzic, explaining and convincing him that the Rapid Reaction Forces would become a part of UNPROFOR, which should mean that they will do nothing, just like UNPROFOR. He deserves most of the credit for the interruption of the NATO ultimatum in Sarajevo. He does nothing to bring about the opening of Sarajevo airport, which has been closed for three months now. More precisely, he has done a lot in order to close that airport down. Exactly because of such behavior by him, it is essential to get rid of those mediators between New York and Sarajevo.

In our opinion, and as heard from Croatian officials, who think the same, the office of the UN official for former Yugoslavia as discharged by Akashi is useless. We want to have completely autonomous UN missions for Croatia and Bosnia-Herzegovina, with the complete autonomy to make decisions at that level. Now, we have a situation that all that we agree upon with the UN command in Sarajevo, Akashi and Janvier either postpone or prevent. We think that they are not needed, and one of our conditions for the prolongation of the UNPROFOR mandate in Bosnia-Herzegovina, which expires in November this year, will be to abolish the mission for former Yugoslavia.

Undermined Basis

[Soldic] What are the other conditions set by the Government of Bosnia-Herzegovina to prolong the UNPROFOR mandate?

[Muratovic] We have requested from UNPROFOR that it tell us what it is allowed to do, because now it is doing nothing. In Bosnia-Herzegovina, there are 25,000 Blue Helmets who do not carry out any task from the mandate they have taken over. Our objective is not that UNPROFOR leaves, we need them if they can help us. For more than a year, they have discharged the major part of the jobs foreseen by their office very correctly. They have never fulfilled the whole of their mandate, but nevertheless they have fulfilled it partially. Since 4 April they have been doing nothing, and they are here. Therefore, we ask them to tell us just what they can do. We have troubles with the Canadian Battalion in Visoko, which does nothing and nevertheless wants full freedom of movement. There is a battalion of Blue Helmets in Tuzla, which arrived there a year ago in order to open the airport. The airport has not been opened, and they still sit in Tuzla. We will request that they tell us what they can do and then we will see to what degree that is good for us and decide what we will do with UNPROFOR. [passage omitted]

No Negotiations

[Soldic] What is your opinion about the engagement of Germany in the intervention forces?

[Muratovic] German soldiers will not be deployed in the field, they will join in the air force and medical corps. We are suspicious toward the intervention forces, first of all because they consist of French and British troops, and it is known that their countries have been on the Serb side from the beginning of the war.

We also think that UNPROFOR forces, already deployed in certain crucial positions in Bosnia-Herzegovina, should be multinational. For example, there are only French troops at Sarajevo Airport. We think that in such important places multinational forces should be deployed. That will also be one of our requests in order to prolong UNPROFOR's mandate in Bosnia-Herzegovina.

[Soldic] One of the offices you hold is also the office of the representative of the Government of Bosnia-Herzegovina for the negotiations with the Serbs at Sarajevo Airport. When did you meet last?

[Muratovic] There have been no negotiations for a long time. We send them messages through UN people who go to Pale to stop using the power supply for war

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purposes. However, they have not stopped, so we still have no water and gas, which are under their control.

[Soldic] The German ambassador recently donated 11 million German marks for the construction of an alternative electric energy supply. When will it be possible to realize this project?

[Muratovic] We have not raised enough funds yet, but the project is under way, and it was also supported at the Vienna conference of donors. The Chetniks should not endanger the project, and we are doing our utmost to secure that alternative source. When we succeed, the situation in the town will improve significantly.

[Soldic] Does the construction of alternative energy sources mean giving up the effort to lift the blockade of Sarajevo or is it the case that the Army leaders have assessed that it will not be possible to lift the blockade soon?

[Muratovic] Giving up the attempt to lift the blockade of the town is out of question. It is our imperative. It is the main battle for Bosnia-Herzegovina. The Serbs will never leave those hills if our Army does not drive them away. It is a very painstaking job and it will take a long time to do it. One short-term action would claim many casualties, and this operation is planned to be carried out with as few casualties as possible. If you have been following the situation in the battlefield, you could have noticed that day by day we have been taking over the strategic points, without having major losses. In the last twenty days we have cut through two crucial Serb lines of communications, Sarajevo-Foca and Sarajevo-Olovo, and for us, that was something impossible to think of six months ago. We cannot advance faster because our troops have got no armored units to advance 10 kilometers when having broken through an enemy line. We advance as much as we can walk. We must drive the Serbs away from the firing distance of Sarajevo. All other major towns have driven them away from the firing distance, so that the Serbs can shell them only with long-distance artillery. It is a hard battle, but we will certainly win!

Akashi: Zepa Situation 'Continues To Worsen'

AU1807083095 Paris AFP in English
0758 GMT 18 Jul 95

[FBIS Transcribed Text] Zagreb, July 18 (AFP)—The situation in the Moslem enclave of Zepa is deteriorating as the Bosnian Serbs keep up their bombardment of the eastern Bosnian town, UN special envoy to former Yugoslavia Yasushi Akashi said Tuesday [18 July]. "The situation continues to worsen in Zepa," Akashi said here following overnight shelling of the UN-designated "safe area."

Akashi said five of the eight UN observation posts around the town had been evacuated, and added that the UN would do everything in its power to help the Bosnian Government evacuate the wounded and elderly. Bosnian President Alija Izetbegovic proposed on Monday direct military talks with the Serbs to evacuate sick, wounded, and elderly civilians from Zepa.

Zepa is one of two remaining Moslem enclaves surrounded by Serb-held territory in eastern Bosnia. The other is Gorazde. A third, Srebrenica, fell a week ago to advancing Serb forces who have vowed to purge eastern Bosnia of its remaining Moslem population.

Akashi also stressed Tuesday the United Nations and Western powers must overcome their differences on Bosnia to breathe new life into the United Nations Protection Force (UNPROFOR) mission in the devastated former Yugoslav republic. "The unity of the international community is essential for a peacekeeping mission to succeed," Akasahi said.

But earlier Monday, Bosnian Foreign Minister Muhamed Sacirbey said the UN mission in his country had failed and should leave. "The UN mission in Bosnia-Herzegovina is at an end. The UN framework is no longer acceptable for the presence of foreign troops," he said in Washington.

Sacirbey was due to arrive in Athens Tuesday to meet his Greek and Iranian counterparts, Carolos Papoulias and Ali Akbar Veleyati respectively to discuss the Bosnian crisis.

Izetbegovic Offers To Negotiate

AU1707203595 Paris AFP in English
2000 GMT 17 Jul 95

[FBIS Transcribed Excerpt] Sarajevo, July 17 (AFP)—Bosnian President Alija Izetbegovic offered to hold "direct negotiations at the military level" with the Bosnian Serbs to evacuate certain civilians from the Zepa enclave threatened by Serb forces, television said Monday. Izetbegovic discussed with the commander of UN forces in Bosnia, Lieutenant General Rupert Smith, "the possibilities of evacuating ill, wounded, and old people from Zepa" according to an evening broadcast on government controlled Bosnian television.

"With the aim of preventing suffering of the civilian population, President Izetbegovic offered direct negotiations at the military level with the enemy side," the report said.

An aide to Izetbegovic denied the offer was a prelude to negotiations for surrendering the UN safe area currently

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under pressure from Bosnian Serb forces who have come within 1.5 kilometers (one mile) of the enclave's main town. "This is a measure aimed at saving some of the weakest people, the wounded, elderly and so on. These would not be political talks, simply at the technical level," said Kemal Muftic, a presidential aide.

Lieutenant Colonel Gary Coward, a UN spokesman in Sarajevo, confirmed that Smith and the Bosnian president met on Monday but gave no other details.

There have been no direct political negotiations between the government and Bosnian Serbs for months, but the two sides have held talks on a number of technical issues such as utility supplies to Sarajevo and prisoner exchanges.

Muftic said the president's offer of talks was on this basis and did not hold out much hope they would be successful. "We have had a lot of problems with the Serbs with other evacuations but it is completely normal to hold such talks in a war," he said.

Attempts by international agencies to evacuate wounded from Srebrenica in the wake of the Serb offensive have been generally frustrated by the Bosnian Serbs.

Bosnian Foreign Minister Mohamed Sacirbey currently in the United States has been given orders to consult with the UN Security Council and "other international institutions" for the safe departure of Zepa's civilians, the television report said. [passage omitted]

Serbs Respond to Izetbegovic Offer

LD1807084695 Belgrade SRNA in Serbo-Croatian 2306 GMT 17 Jul 95

[FBIS Translated Excerpt] Sarajevo, 17 July (SRNA)—The president of the People's Assembly of the [Bosnian] Serb Republic, Momcilo Krajisnik, said this evening that the proposal on the allegedly demilitarized zone of Zepa by one of the Bosnian Muslim leaders, Alija Izetbegovic, "should have been put forward earlier in order to avoid all conflicts."

"The UN should deliver the proposal to us and we will respond to it officially," Krajisnik told SRNA and added that "following the events in Srebrenica the leadership of the Serb Republic would like to negotiate on Zepa with the aim of transforming it into a real demilitarized zone and to resolve all disputed issues which had caused the conflict."

"In any case we cannot allow the presence of armed units inside the so-called safe area of Zepa. It should not serve as a launching pad for terrorist raids against our people," Krajisnik said. [passage omitted]

Lazovic on UN Responsibility

AU1807115595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 18 Jul 95

[FBIS Translated Text] Referring to the situation in Zepa, Miro Lazovic, chairman of the Assembly of the Republic of Bosnia-Herzegovina, has sent the following letter to the UN General Assembly:

I remind you that by passing resolutions on the arms embargo on the Bosnia-Herzegovina Government and by proclaiming protected zones, you have taken upon yourselves the responsibility for the fate of these regions and their populations. I also remind you, because you may have forgotten, that several days ago you gave (word indistinct) Srebrenica that you should have protected [word indistinct] over to Karadzic's Serbs. The case of the exodus of unarmed people, along with the unexpected passivity of the UNPROFOR members, justifiably make the people of Zepa and Gorazde doubt [word indistinct] (?intentions). Just as they do, we in Bosnia-Herzegovina are also asking ourselves whether [words indistinct]. At this moment, the people of Zepa and Gorazde hardly harbor any hope [words indistinct] survive.

Have you forgotten that you took over the responsibility to help [word indistinct] people who, [word indistinct] their lives and homes, have also been saving your face and your principles?

If you are not going to or do not want to help the people of Zepa with resolute actions in defense of your own resolutions, then you should publicly say so, it is said at the end of the letter that Assembly Chairman Miro Lazovic has sent to the UN General Assembly.

Defense 'Inflicting Losses' on Serbs

AU1707180495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 17 Jul 95

[FBIS Translated Text] The Bosnia-Herzegovina Army Press Center has reported that throughout the day the Serbian-Montenegrin aggressor has been carrying out intense infantry attacks on the Zepa defense lines, with the support of large-caliber artillery pieces.

The defenders of this heroic town have been successfully repelling all the attacks, at the same time inflicting heavy losses on the enemy in men and equipment. All the defense lines of Zepa are firmly under the control of our fighters.

The measures and decisions that were adopted two days ago by the Zepa war presidency have already yielded first results in the quality and effects in strengthening the unity of the people and fighters of Zepa.

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UN Spokesman: Zepa May Fall

AU1807103095 Paris AFP in English
0943 GMT 18 Jul 95

[FBIS Transcribed Excerpt] Zagreb, July 18 (AFP)—The Moslem town of Zepa in eastern Bosnia was under intense Serb mortar and artillery fire Tuesday [18 July] and may be about to fall, a UN spokesman said here. "Zepa town may be about to fall," the spokesman said.

Zepa is one of two remaining Moslem enclaves surrounded by Serb-held territory in eastern Bosnia. The other is Gorazde. A third, Srebrenica, fell a week ago to advancing Serb forces who have vowed to purge eastern Bosnia of its remaining Moslem population.

The United Nations here however said it was not in a position report on troop movements on the ground. [passage omitted]

Serbs Continue Mortar Fire

AU1807113095 Paris AFP in English
1110 GMT 18 Jul 95

[FBIS Transcribed Text] Sarajevo, July 18 (AFP)—The Bosnian Serbs Tuesday [18 July] unleashed a barrage of mortar shells on the town of Zepa, a UN safe area in eastern Bosnia, UN officials said.

"At 9:30 this morning, we have reports of intensive mortar shelling of Zepa town and explosions are reported within 15-20 meters of the Ukrainian UN base," Major Myriam Sochacki, a UN spokeswoman said. She said she could had no further details.

There are 79 Ukrainian peacekeepers in Zepa, one of two remaining UN safe areas in eastern Bosnia. Most are in their main base, the others are in two observation posts, one inside and one outside the enclave. The latter is surrounded by Bosnian Serb troops who have threatened to attack the post if NATO warplanes appear overhead.

Tuesday morning's attack follows a lull in clashes around the enclave on Monday. Citing communication difficulties with the Ukrainians, UN officials said it was hard to make assessments but that there "appeared" to be fewer troops involved in the attack on Zepa than that on Srebrenica, captured by the Serbs a week ago.

A Bosnian Army statement also reported "heavy artillery and infantry attacks" but said "the heroic defenders of Zepa are holding their lines strongly.

Situation of Muslim Refugees From Srebrenica

UNHCR: Atrocity Stories 'Numerous'

AU1807113995 Paris AFP in English
1124 GMT 17 Jul 95

[FBIS Transcribed Text] Belgrade, July 18 (AFP)—Eighty-seven wounded people who were evacuated from the embattled Srebrenica enclave arrived in the northeast Bosnian Government-controlled city of Tuzla Tuesday [18 July], an International Committee of the Red Cross official said here.

The wounded had come from Bratunac and Potocari in the north of the former Moslem enclave, seized a week ago by Bosnian Serbs. But the Serb authorities refused the evacuation of 18 people from Bratunac and an ICRC spokesman in Geneva, Tony Burgener, said they had been registered as prisoners of war.

In all, 46 people came from Bratunac and 59 from Potocari. ICRC spokesman in Belgrade, Josue Anselmo, said a formal request would be lodged with the Serbs to enable Red Cross personnel to visit the 18 detainees.

The evacuation of the wounded came after more than 24 hours of negotiations between the ICRC and Serb forces.

The journey, which began Monday, took 27 hours across Serb-controlled territory and partly through Serbia. The ICRC had planned to leave the most seriously wounded in Serbia so that they could obtain urgent treatment, but the injured people refused to stay.

Anselmo stressed that thousands of people were still missing from Srebrenica and this was a major worry for the ICRC, which had appealed to the Serb authorities to let the organisation have access to captives.

The appeal has been prompted by reports to humanitarian organisations, the UNHCR and journalists that Bosnian Serbs have indulged in rape, pillage, and murder since Srebrenica fell.

UN High Commissioner for Refugees, Sadako Ogata, who visited Tuzla for several hours to assess the situation, said Monday 19,000 people had been reported missing.

Ogata said she heard numerous accounts of rape and murder, and promised an investigation by her agency. But she said the Serbs had turned back two of her staff who went to inquire about the missing.

Monique Tuffelli of the UNHCR said: "We cannot confirm the accounts because we were not there. But they are extremely numerous."

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UNHCR's Ogata To Investigate

*AU1707121795 Paris AFP in English
1144 GMT 17 Jul 95*

[FBIS Transcribed Text] Paris, July 17 (AFP)—Two senior humanitarian aid officials left Geneva Monday morning [17 July] for Tuzla, the northeastern Bosnian town which has welcomed a flood of refugees in recent days following the fall of the Srebrenica enclave.

UN High Commissioner for Refugees Sadako Ogata and France's government minister for humanitarian action, Xavier Emmanuelli, left for Tuzla, the French minister's office announced in a communique.

Emmanuelli "wants to get first-hand accounts from those who escaped Srebrenica and assess for himself the nature and extent of their humanitarian needs," the statement said.

Thousands of refugees were bussed west from Srebrenica to Bosnian government-held Tuzla after the enclave fell to advancing Bosnian Serbs on July 11.

The United Nations has said 16,700 refugees are now in camps in the Tuzla area. Bosnian Government figures put the number at 23,000.

Fifteen tonnes [metric tons] of medical supplies, food, and clothing were flown out of Paris Monday by the French Government to Split in Croatia from where it will be shipped east to Tuzla.

Emmanuelli will return to Paris Tuesday night, the communique said.

It did not provide details of Ogata's itinerary.

Up to 20,000 'Missing'

*AU1707190295 Paris AFP in English
1850 GMT 17 Jul 95*

[FBIS Transcribed Text] Tuzla, Bosnia-Herzegovina, July 17 (AFP)—Between 15,000 and 20,000 people have gone missing since the fall of Srebrenica, during which the Serbs indulged in rape, pillage, and murder, refugees here told humanitarian organisations, the UN refugees agency, and journalists.

UN High Commissioner for Refugees Sadako Ogata, who visited Tuzla for several hours to assess the situation, said "19,000 people were reported missing" after last Tuesday's fall of the eastern Moslem enclave to the Serbs.

On Sunday night Bosnian authorities said some 4,000 people, mostly men who escaped the selection process between men and women by Serbs after the fall of Srebrenica, or as some have reported men who were authorised by the Serbs to flee, were trying to reach Tuzla.

A quarter of them arrived Monday morning, harassed, starving, and mostly bare-foot, after having walked for seven days and nights.

Interviewed by several AFP journalists, some of the men said they had seen Serbs "cut the throats of civilians and take young girls to rape them. We are going to give a medal to the United Nations for having allowed the rape of our girls and the murder of our friends."

ICRC, UNHCR Seek Access

*AU1707193895 Paris AFP in English
1919 GMT 17 Jul 95*

[FBIS Transcribed Text] Belgrade, July 17 (AFP)—The Red Cross evacuated several dozen wounded from the captured enclave of Srebrenica on Monday, but Bosnian Serbs prevented it from visiting thousands of other detainees, relief officials said. The International Committee of the Red Cross (ICRC) convoy was helped by the French medical aid charity Medecins Sans Frontieres (MSF) [Doctors Without Borders], according to an MSF statement released in Paris.

The evacuation plan included 46 people at Bratunac and 59 people at Potocari, areas of the Moslem enclave of Srebrenica captured by the Bosnian Serbs last week, ICRC spokesman Josue Anselmo said here. He said several dozen had been moved by late afternoon, without giving a precise figure.

The convoys were taking the wounded to the northwest Bosnian Serb-controlled town of Bijeljina, where they were to spend the night before being transferred to the Bosnian government-controlled city of Tuzla another 50 kilometers (30 miles) to the west. The convoys would have to pass through Serbia and then back into Bosnian Serb-controlled territory to reach Bijeljina.

Despite an "agreement in principle" by Serb leaders for ICRC representatives to see the thousands of other prisoners held since last week, relief officials were later told it would not happen in the near future "for security reasons," Anselmo said. "We are still waiting for the green light" from the Serbs, he said. He was not able to comment on reports from the Serb stronghold of Pale that visits could start Tuesday.

The ICRC was not able to say how many men were being held, although Bosnian authorities have put the figure at 5,250. The prisoners are thought to be held in Serb-held towns neighboring Srebrenica. ICRC officials said the agreement reached with the Serbs allowed them not only to visit prisoners but to register and interview

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them as well as pass messages to loved ones and conduct follow-up visits.

MSF joined the call for access to prisoners of war. "The ICRC...must be given access to prisoners in Potocari and Bratunac so that they can be treated in line with the Geneva Conventions," the MSF statement said.

European Union mediator Carl Bildt said Sunday in Belgrade that such a visit would allow the ICRC to determine how many men were accounted for and being treated properly and how many were missing.

Bosnian refugees who fled the enclave after it was captured last week said prisoners had been executed by the Serbs, although that was not independently confirmed.

Meanwhile the United Nations High Commissioner for Refugees (UNHCR) had medical teams waiting for permission to visit 15,000 refugees who, according to unconfirmed reports, were at Konjevic Polje, about 80 kilometres (50 miles) northeast of Sarajevo, a UNHCR spokesman said. It was also hoping to evacuate about 50 patients from Srebrenica hospital who were thought to have been transferred by the Serbs to Potocari where the Dutch UN battalion is based.

No Date for Visits to Detainees

AU1607183695 Paris AFP in English 1806 GMT 16 Jul 95

[FBIS Transcribed Excerpt] Belgrade, July 16 (AFP)—Bosnian Serbs and officials from the International Committee of the Red Cross (ICRC) struck a deal Sunday [16 July] to let aid workers into the Srebrenica enclave, but the agreement will not take immediate effect for security reasons, an ICRC spokesman said. Humanitarian aid officials are to be allowed to visit Moslem prisoners held by the Serbs since they overran Srebrenica in eastern Bosnia, spokesman Josue Anselmo said.

But he added that the deal, negotiated in the Serb stronghold of Pale, near Sarajevo, with Bosnian Serb army second-in-command Milan Gvero, would not allow aid workers to enter immediately the former UN safe area for unspecified "reasons of security." No date had been set for the first visit, Anselmo said.

Earlier Sunday, EU mediator for former Yugoslavia Carl Bildt told the U.S. television channel WTN the deal would allow ICRC officials to move into the region and make a record of those being held by the Serbs. "There will be an agreement today...for the full access for the ICRC to go in the area to register the men, the boys that are in the camps, to find out exactly who's there and who's missing and that they are treated in accordance with the rules," Bildt said.

The Serbs also gave the ICRC permission to evacuate on Monday 46 wounded people held at a hospital in the Serb-held town of Bratunac, an ICRC spokesman said. Tony Burgener, who confirmed the Pale deal, said in Geneva that the Serbs had agreed to the evacuation of the 46 Bosnian Moslems who had been shipped from Srebrenica to Bratunac by Serb forces. [passage omitted]

Bildt said he was due to hold further talks with Serbian President Slobodan Milosevic, whom he met Friday.

On other matters, the new EU mediator on former Yugoslavia refused to be drawn on the French proposal for military action in eastern Bosnia to check the Serb advance. "I think it has to be said there are no national military operations going on in Bosnia," Bildt said. "There is a big national debate in different countries, France, Britain, Sweden, United States on exactly what needs to be done, but the final decisions are taken by UN commanders," he added.

France has spearheaded calls for firm action against the Serbs following the fall of Srebrenica and subsequent attacks on another eastern Bosnian safe haven Zepa. On Sunday France was to put a concrete plan of action to a meeting of British, French, and U.S. army chiefs in London.

Serbs 'Hunting' Bosniak Men

AU1707093595 Split SLOBODNA DALMACIJA in Serbo-Croatian 17 Jul 95 p 5

[Unattributed report: "The Hunt"]

[FBIS Translated Text] According to information from the World Health Organization, 23,000 Bosniak Muslims are still on the territory controlled by Serb forces. The ICRC [International Committee of the Red Cross] is trying to find out what has happened to them. Some 7,000 able-bodied men have gone in an unknown direction, while another 3,000 are known to be hiding in the woods and trying to reach the free territories. The MEDEVAC organization for the evacuation of the wounded expects the [Serb] aggressor's authorities to grant it permission to evacuate 59 wounded people.

Information from the Crisis Committee of the Tuzla-Podrinje Canton shows that not a single group of men of military age has reached the free territories of the Federation. The same source, quoting refugees, has learned that among the group of 7,000 men there are about 400 wounded. Well-informed sources claim the aggressor has broken this group up into several smaller groups, which have run in all directions into

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the surrounding mountains. The Chetniks are currently hunting them down.

Among the ranks of the aggressors involved in the genocide of Bosniak Muslims, those who took part in the offensive on Srebrenica, there are a large number of soldiers from Serbia. This is yet further confirmation of their involvement in the aggression against Bosnia-Herzegovina and Croatia.

Serbs Deny Atrocities

LD1707193995 Belgrade SRNA in Serbo-Croatian 1854 GMT 17 Jul 95

[FBIS Translated Text] Sarajevo, 17 Jul (SRNA)—Jovan Zametica, an adviser to the president of the [Bosnian] Serb Republic, issued a statement today for the public denying Muslim and world media reports on events in Srebrenica.

"Over the past few days, the world media, assisted and prompted by the Muslim authorities, have indulged in an orgy of uncritical reporting on the events in Srebrenica. Claims of torture, executions, rapes, and deportations of Muslims are being constantly repeated without any independent confirmation.

"The truth is that nothing like the above-mentioned has happened. The UN Protection Force was in Srebrenica until the end, and it can testify that the Serbs treated the Muslim civilians well.

"Furthermore, talk of Muslims being expelled is totally false, as confirmed by the fact that the evacuation was prearranged with representatives of the Muslim civil authorities.

"They, themselves, requested the evacuation out of fear of displaced Serbs returning to their homes in Srebrenica, because Muslims had committed horrendous crimes against Serb civilians in the area.

"The objective of the Muslim propaganda is to cover up the fact that the Muslims are intentionally increasing their people's suffering, manipulating world public opinion, and trying to drag the international community into this conflict as an active participant on their side," concludes Zametica's statement forwarded to SRNA.

Dutch Doctor on Bratunac Hospital

BR1807095295 Hilversum Nederland-1 Television Network in Dutch 1800 GMT 17 Jun 95

[FBIS Translated Text] [Announcer] A number of Muslim men are being held prisoner by the Serbs in Bratunac, among other places. Aid organizations are still being denied access to these places. There also are Muslims in Bratunac's hospital who were wounded during the attack. They are being cared for by only one Dutch doctor, Colonel Art Schouten. He was allowed to give a short interview under close Serb supervision.

[Begin recording, in English] [Schouten] One of the problems that we have at the moment is that we have no surgery, and most of the cases in this building are surgical patients.

[Unidentified reporter] Have you received any help from any other international organizations?

[Schouten] Up until now, we have a lot of interest from ICRC [International Committee of the Red Cross], MSF [Doctors Without Frontiers], UNPROFOR [UN Protection Force], and so on. But somewhere around there is a lot of red tape and it is impossible for us to get these organizations over here to transport the patients. At least 21 need immediate evacuation. [end recording]

ICRC Evacuates Muslims

LD1707182195 Belgrade TANJUG Domestic Service in Serbo-Croatian 1749 GMT 17 Jul 95

[FBIS Translated Excerpt] Belgrade, 17 Jul (TANJUG)—An ICRC [International Committee for the Red Cross] team evacuated 46 wounded Muslims from the hospital in Bratunac early this afternoon; half an hour ago it also evacuated around 50 wounded Muslims from Potocari, Josue Anselmo, ICRC spokesman in Belgrade, told TANJUG this evening.

"A convoy with 30 doctors and nurses from the ICRC delegation from Pale and Bijeljina with complete medical equipment and 15 special vehicles for the transport of the wounded, accompanied by two truckloads of medicine, entered Bratunac early this afternoon," Anselmo said.

According to Anselmo, the team first received the wounded from the Bratunac hospital, and then those from Potocari. They will spend the night in Bijeljina, and will continue their journey to Tuzla in the morning. [passage omitted]

UN: Serbs Fired on Aid Convoy

AU1707140395 Paris AFP in English 1348 GMT 17 Jul 95

[FBIS Transcribed Text] Tuzla, Bosnia-Herzegovina, July 17 (AFP)—Bosnian Serbs twice opened fire on a humanitarian convoy which left here to rescue seriously wounded people stranded in the fallen Moslem enclave of Srebrenica, a UN spokesman said Monday. "Yesterday at 1430 (1230 GMT) the Bosnian Serbs fired on a

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humanitarian convoy which left Tuzla bound for Srebrenica to evacuate the seriously sick and wounded," he said.

"While in BSA (Bosnian Serb Army) controlled territory, about three kilometres (two miles) south of Kalesija, the convoy which was clearly marked with red crosses was attacked by Bosnian Serb mortar fire. The convoy attempted to go back this morning...as it entered BSA-controlled territory, the convoy was again fired on and was forced to turn back."

The spokesman said both the Bosnian Government and Serb armies had given clearance for the convoy to pass. "There remain 60 seriously ill people in Potocari (north of Srebrenica) being cared for by the Dutch peacekeepers and 45 in the hospital of Bratunac (northeast of Srebrenica). We demand that these people be allowed to leave forthwith," the spokesman said. He added that five people due to be evacuated had since died.

Meanwhile, the UN High Commissioner for Refugees Sadako Ogata who arrived Monday in Tuzla, a government-controlled town in northeastern Bosnia, went to visit some 7,000 refugees from Srebrenica camped out at the airport.

There are increasing fears for the safety of Srebrenica men taken prisoner by the Serbs. According to Bosnian Government estimates, 5,250 men are in captivity.

On Sunday, the UN special envoy to former Yugoslavia, Yasushi Akashi, accompanied by the UN and EU mediators Thorvald Stoltenberg and Carl Bildt and by UN Protection Force commander General Rupert Smith, held talks in Belgrade with Serbian President Slobodan Milosevic. According to a spokesman for Akashi, Philip Arnold, discussions centred around the fall of Srebrenica and the Bosnian Serb advance on the nearby Moslem enclave of Zepa. "We expect some positive and practical results of this meeting," the spokesman said, but gave no further details.

Government Forces in Bihac Attack Serb Positions

LD1607154595 Belgrade TANJUG in English 1526 GMT 16 Jul 95

[FBIS Transcribed Text] Belgrade, July 16 (TANJUG)— he Bosnian Serb Army said Sunday that Bosnian Muslim leader Alija Izetbegovic's forces in the UN-designated safe area of Bihac in western Bosnia were attacking Bosnian Serb positions along the entire line of separation on the front between the towns of Bihac and Krupa. After seizing weapons from Ukrainian peacekeepers in the safe area of the southeastern Bosnian town of Gorazde, Muslims attacked Bosnian Serb positions towards Kazagici, Tovarnica, and Zupcici and opened fire on Mt. Treskavica south of Sarajevo, Bosnian Serb Army sources said.

The sources said that Muslim forces late on Saturday opened sniper and artillery fire at Bosnian Serb settlements of Ilijas, Nedzarici, Nisic Plateau, and Rajlovac in the region of Sarajevo. On Saturday afternoon and early on Sunday there was also fighting on the fronts around Mt. Majevica, the town of Brcko, Mt. Ozren and the town of Vozuca, the Trebava River, the towns of Doboj and Teslic, and Mt. Vlasic in northern and northeastern Bosnia, and the fronts around the town of Kupres, and the towns of Glamoc and Grahovo in southwestern Bosnia, the sources said.

Serbs Fire Frog 7 Missiles

AU1707145295 Paris AFP in English 1437 GMT 17 Jul 95

[FBIS Transcribed Text] Sarajevo, July 17 (AFP)— Two ground-to-ground rockets Monday blasted the government enclave of Bihac, in northwest Bosnia, UN officials said. "Two Luna rockets exploded in the areas of Jankovac and Izacic at 8.35 am," UN spokeswoman Major Myriam Sochacki said referring to two towns north of Bihac town, the main civilian centre in the enclave.

The rockets, also known as Frog 7, are long-range guided rockets but are "notoriously inaccurate," Sochacki said. She said United Nations personnel in the area would be investigating the explosions but gave no other details.

Bihac is the largest government enclave besieged by Bosnian Serb forces, backed by rebel Serbs in Croatia. The others, Zepa, Srebrenica, and Gorazde are in eastern Bosnia though Srebrenica fell to the Serbs last Tuesday.

Fighting has been ongoing in Bihac since last August when Serb forces attempted to cut off the town from the rest of the mainly Moslem pocket. UN officials said there had been some military activity in the area where the rockets detonated.

However, in recent weeks most fighting has been in the north of the enclave. The town of Bihac itself is a UN safe area.

Bosnian state radio reported the explosions and said "there was great material damage as well as casualties among civilians." UN officials were unable to confirm this. "There is an ongoing investigation," Sochacki said.

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Serb Refugees From Bihac Face Starvation

LD1807123395 Belgrade TANJUG in English 1207 GMT 18 Jul 95

[FBIS Transcribed Text] Petrovac, July 18 (TANJUG)—More than 25,000 Serb refugees accomodated in the town of Petrovac in western Bosnian Serb Republic are on the verge of starving because the Bosnian Serb refugee commissioner's office has completely run out of stocks and almost all appeals for help from international humanitarian organizations have gone unheeded.

Head of the office in Petrovac, Veso Latinovic, has made the comment to TANJUG, saying that most refugees come from Bosnian Serb villages around Bihac which were torched last October and in the spring of 1995 during fierce offensives of the Bosnian Muslim Sarajevo Government Army 5th Corps launched from a UN-designated "safe area" of Bihac.

Latinovic said fresh Bosnian Muslim attacks currently underway from the "Bihac pocket" could cause more refugees to find shelter in Petrovac.

Bosnian Serb deputy refugee commissioner, Dragan Kekic, told TANJUG on Monday that the overall humanitarian situation in the Bosnian Serb Republic was disastrous as no relief aid had arrived in the past fortnight.

Kekic said that relief aid for the total of 630,000 refugees and the needy in the Bosnian Serb Republic had drastically declined by the Month.

Official: UNHCR Ignores Serbs

LD1807105595 Belgrade SRNA in Serbo-Croatian 1854 GMT 17 Jul 95

[FBIS Translated Text] Sarajevo, 17 Jul (SRNA)—Ljubisa Vladusic, the Bosnian Serb Republic's commissioner for refugees and humanitarian aid, has welcomed the arrival of Sadako Ogata, UN high commissioner for refugees in Tuzla. However, he said that a similar visit had failed to take place in May of this year in the case of Serb refugees from western Slavonia.

"As a human being and a humanist I appreciate your arrival in Tuzla and the visit you paid to the refugees," Vladusic said in a letter he sent to Mrs. Ogata today, but then went on to ask why she had failed to visit the Serb refugees from western Slavonia and why the refugees in the Bosnian Serb Republic still had not been honored by her visit.

"Could it be that this is yet more evidence for the growing number of those who are convinced that the UNHCR is inconsistent in respecting the principle of neutrality and Article 2 of its statute according to which the activities of the UNHCR should not be political in character," Vladusic says in his letter.

Vladusic concludes his letter by expressing his hope that Mrs. Ogata and the UNHCR will in future demonstrate that they are not using double standards in their work.

Humanitarian Aid Shortages

LD1707142895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1316 GMT 17 Jul 95

[FBIS Translated Text] Belgrade, 17 Jul (TANJUG)—No humanitarian aid has arrived in the Serb Republic over the past 15 days, Dragan Kekic, the Serb Republic's deputy commissioner for refugees told TANJUG today. "The humanitarian situation in the Serb Republic is desperate," Kekic said and added that over the past few days the Serb Republic's Commission for Refugees has received appeals for aid from as many as 44 municipalities from Grahovo to Trebinje because the Red Cross warehouses are empty. "Our warehouses in Bratunac, Skelani, and Srebrenica are completely empty because we had to provide aid to Muslim refugees during the evacuation from Srebrenica," Kekic said.

According to Kekic, the humanitarian aid for refugees and the impoverished population, 630,000 of them, has been decreasing drastically with every month. The Serb Republic received 5,146 tonnes of humanitarian aid in April, 2,717 tonnes in May, and just 903 tonnes, only 1.43 kilograms per person, in June, Kekic said.

Army Seizes Weapons From Ukrainian Unit in Gorazde

AU1807114195 Paris AFP in English 1120 GMT 18 Jul 95

[FBIS Transcribed Text] Sarajevo, July 18 (AFP)—Bosnian Army soldiers seized dozens of weapons and took equipment and ammunition from the entire 90-strong Ukrainian contingent in the Gorazde enclave, UN officials said on Tuesday [18 July].

About 100 Bosnian soldiers arrived at the Ukrainian compound in Gorazde, eastern Bosnia and cleaned out the entire camp of weapons, vehicles, ammunition, equipment, and soldiers' belongings while holding a gun to the head of the commanding officer, a UN spokesman said.

The theft occured on Sunday, but the report only reached UN headquarters in Sarajevo late Monday.

"Between 0110 and 0400 on Sunday morning BiH (Bosnian army) carried a thorough search of the whole compound removing all weapons, ammunition, radio

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equipment, medical kits, personal belongongs, all the soldiers' money. Armoured Personnel Carriers (APC) were towed away by trucks," said UN spokesman Alexander Ivanko.

The haul netted around 90 assault rifles, perhaps nine APC's [armored personnel carriers], some portable antitank weaponry, and heavy machine guns, UN spokesman Lieutenant Colonel Gary Coward said.

Bosnian Serb forces have threatened to attack the Gorazde enclave but have so far limited their assaults to two other enclaves, Zepa and Srebrenica. The latter was overrun on July 11.

Gorazde's defenders have few weapons, but there are some 60,000 people in the enclave and they are better organised that those soldiers in Zepa or Srebrenica. A number of Ukrainian troops deployed in Zepa have also had their weapons taken by the Bosnian Army.

There are some 320 British peacekeepers in the Gorazde enclave too, who were blocked in their compound during the incident, but Coward said no attempt had been made to take their equipment. "The Ukrainians possess ex-Soviet equipment that the Bosnian Army is familiar with.

Ivanko condemned the theft. "Such behaviour could only be descried as outrageous, inexcusable, and of no benefit to the cause of the Bosnian Government," he said. A protest was lodged with Bosnia's President Alija Izetbegovic, he added.

Coward said Bosnian Government officials expressed "considerable shock" when they were informed of the action. UNPROFOR (United Nations Protection Force) has requested all the equipment be returned, he added.

SRNA Reports Muslims Mobilized in Sarajevo

LD1807111095 Belgrade SRNA in Serbo-Croatian 1950 GMT 17 Jul 95

[FBIS Translated Text] Sarajevo, 17 July (SRNA)—Over the past ten days the Muslim authorities in Sarajevo carried out a forceful mobilization of men between 16 and 66 years of age in order to reinforce units of the so-called 1st Corps which had suffered considerable losses in its failed attempts to break through into Serb Sarajevo.

According to sources close to UNPROFOR [UN Protection Force], members of the police and military police units in the Muslim-held part of the city have been raiding flats and rounding up able-bodied men under compulsory work orders to take them to the frontlines facing the [Bosnian] Serb Army via the tunnel under the [Sarajevo] airport runway.

The escape routes used by a great number of able-bodied Muslim and Croat men from wealthy families, who left Sarajevo at the beginning of the year and during the four-month cease-fire, are now blocked.

Most of the deserters left the city after obtaining valid documents from the employees of the Croatian and Turkish embassies. The price of a document enabling one to leave the city was between 1,200 and 1,500 German marks.

Instead of Istanbul and Zagreb, those who do not have enough money or friends in high places now end up in trenches facing Serb Sarajevo.

Krajisnik: No Repeat of Western Slavonia

AU1707193695 Belgrade NASA BORBA in Serbo-Croatian 17 Jul 95 p 2

[BETA report: "Unchanged Attitude Toward Contact Group Plan"]

[FBIS Translated Text] Pale—Momcilo Krajisnik, chairman of the Assembly of the Serbian Republic (RS), has told the BETA agency that the events around Srebrenica are not going to change the Serb side's attitude toward the Contact Group plan.

"Nothing has changed significantly in the wake of the events around Srebrenica. As regards the Contact Group's plan, the Serbs cannot accept that plan, but can accept negotiations and hold talks on the basis of the plan," he said. "In our opinion, any plan, including the Contact Group plan, deserves attention and talks can be held on its basis. We believe that a compromise can be reached if one wants to establish peace," he added.

Krajisnik accused the Muslim side and the Contact Group of having used the four-month truce to increase unilateral pressure on the Serbs. "Pressure has been unilaterally exerted on us, along with an obstinate, persistent, and exclusive stand that the Serbs must accept the Contact Group plan, although it is clear that the people rejected it at the plebiscite," he said.

Krajisnik added that "some enclaves were unilaterally proclaimed" protected zones by the United Nations and said that these zones have not been made in conformity with international law. According to Krajisnik, the enclave of Srebrenica was a Muslim Army's landing point on the Serb territory." "We cannot understand the double standards used in this crisis, in which attacks on western Slavonia and the unprecedented crime on the Serbs there are being completely tolerated and nobody has reacted to them, while a great fuss has been made over a fully armed enclave," he added.

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Commenting on the announcements of a Croatian offensive on Knin, Krajisnik said that the Serb side will not allow the attack on western Slavonia to be repeated. "It is clear that we shall defend ourselves and that we are not going to allow western Slavonia to be repeated. Everything is possible in war, but the Croats should know that they are going to have both the RS and the Republic of Serbian Krajina (RSK) against themselves, and that they will not be able to reach their goals easily," Krajisnik said."

"Croatia's intentions are fully clear to us, particularly in the wake of western Slavonia. Also clear to us is the inertness and leniency the international community has shown toward the Croats and that we cannot expect an equal treatment because there are double standards. This is why we must rely on our own forces and be ready to defend ourselves," Krajisnik added.

Krajisnik reiterated that RS has "great understanding" for the situation Yugoslavia is in and said that "everything will be done with a view to having the sanctions lifted."

"We shall cooperate with Serbia to the greatest extent. It is our intention not to separate the RS interests from the interests of Serbia and Montenegro by an iota. The cooperation must be better," he pointed out. Krajisnik added that relations between Pale and Belgrade "have not much improved" and expressed hope that the suffering we are facing at the moment will bring the Serbs on the two sides of the Drina even closer.

Buha Sees 'Goal' as Unification With Serbia

AU1807081395 Belgrade TELEGRAF in Serbo-Croatian 12 Jul 95 p 8

[Interview with Aleksa Buha, Bosnian Serb "foreign minister," by Olivera Miletovic; place and date not given: "We Have Not Taken the Dutch Soldiers Prisoners, But We Have Just Taken Them to Safety From Their Position in the Crossfire and They Do Not Want To Return From Bratunac to Srebrenica"]

[FBIS Translated Text] "The latest events about Srebrenica are a consequence of the circumstance that Srebrenica had been serving as a stronghold for Muslim terrorists for over a month. In that period 30 civilians and soldiers of the Serb Republic were killed, which happened because the so-called demilitarized zones had not been precisely defined from the very outset by the United Nations, that is, the Security Council. After all, even UN Secretary General Butrus Butrus-Ghali has spoken about that," Aleksa Buha, foreign minister of the Serb Republic, said at the beginning of an interview for TELEGRAF.

"That would mean that such entities (demilitarized zones) should be established on the basis of an agreement between the warring factions and a strict observance of the cease-fire, which means that in such areas people should be disarmed and only civilians should remain. The examples of Bihac, Gorazde, and, in a way, Sarajevo, and now Srebrenica show that the demilitarized zones have remained military strongholds of the Muslims, from which Muslim offensives, as a rule, have been launched.

[Miletovic] What is happening to the UNPROFOR members in Srebrenica?

[Buha] As for the Dutch units of UNPROFOR, the issue is quite simple. The Dutch soldiers happened to be caught in the crossfire and they asked our side to help them get out of such a position. Our side made this possible for them and they are now in Bratunac. The Dutch media have reported that they have not been taken prisoner. Besides, the mandate of this group of Dutch soldiers expired on 2 June. Simply, the soldiers who are now in Bratunac are not even thinking about going back to Srebrenica.

[Miletovic] Will the Pale leadership further insist on the international recognition of the Serb Republic as an independent state, or is it possible that the Serb Republic will agree to stay in a confederation or union of the internationally recognized Republic of Bosnia-Herzegovina?

[Buha] In talks and negotiations with the international mediators we presented a list of our priorities long ago, as far as political settlement is concerned. In the first place, our final goal is unification with Serbia, that is, the establishment of a joint state of all Serbian states. If the international community, given the current constellation of forces, does not sanction this, then we demand to enter the FRY [Federal Republic of Yugoslavia] as a federal unit. Finally, if the international community does not sanction this second possibility either, then we demand international recognition of our independence and sovereignty. In this case confederal affiliation with Yugoslavia would have to be a right for the Serb Republic, which would go without saying, because such a right has already been given by the Washington Agreement in March last year to the Bosniak-Croatian Federation. How the union of Bosnia-Herzegovina would look after that—let the patrons of the fictitious state called the Republic of Bosnia-Herzegovina and the initiators of the so-called Bosniak-Croatian Federation and its confederation with Croatia ponder over it.

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[Miletovic] Do you think that without sovereignty and independence there cannot be either freedom or democracy?

[Buha] I truly believe that without a sovereign and independent nation state in these historical regions, there are no conditions for lasting freedom and democracy.

[Miletovic] Are there any forces capable of deterring the Serbs in the Serb Republic from accomplishing such goals?

[Buha] There do not exist any forces that could cause these people to vacillate in their resolve to be their own boss in their own state. However, there unfortunately exist historical categories that are stronger than the psychological notion of vacillation. [sentence as published]

[Miletovic] After the decision of the Serb Republic and the Republic of Serbian Krajina on unification, NATO air strikes followed. Was it all aimed at preventing unification and what is the role of Yugoslavia in all this, in view of its rather mild condemnation?

[Buha] I am not convinced that the bombing of Pale had any direct connection with the decision on unification made by these two Serb states. As for the reaction of official Yugoslavia, what more should we say about it when their officials have already said enough about it by imposing sanctions against part of their own people! After that, nothing can surprise us any more, and let me paraphrase Dostoyevsky: Everything is possible.

[Miletovic] The unification of the Serb Republic and the Republic of Serb Krajina has been announced several times. However, unification has not yet come about. Why not?

[Buha] For two reasons. First, because we were under two different international legal regimes, so it was considered that unification would make the position of both republics even more difficult. After western Slavonia that reason has disappeared. Now it is necessary for these two states to organize their internal systems better, particularly the Republic of Serb Krajina, and to establish internal sovereignty so as to be able to establish unitary external sovereignty.

[Miletovic] Certain political circles in Belgrade consider that unification between the Serb Republic and Yugoslavia will never come about, chiefly because of ideological differences: The Pale leadership is being reproached for the rehabilitation of the Chetniks [World War II Serbian fascists].

[Buha] The unification of all the Serbian states should and must come about. It should come about because it is a natural tendency of all parts of the Serbian people. It must, because it is a precondition of its survival. And what certain nonnational, universalist-philantrophic, while in fact anti-Serbian circles sinisterly prattle about seemingly unbridgeable differences is just evidence of their intolerable corruptness. Germany waited 45 years for unification.

Furthermore, we have never particularly supported or rehabilitated either the partisans or the Chetniks. On the contrary, the Serb Democratic Party has called for that rift to be overcome from the outset, because the Serbian tradition is richer and older than the divisions of World War II. That tradition must be renewed, as is the case with any normal national community, and reestablished as a common prism of one's own national experience, which has to reflect all perceptions and insights of the human mind about the motives and purposes of living for any individual, about his attitude toward others, about nature.... In that experience, similarly to the human experience in general, religion is an unavoidable dimension. The Serbian Orthodox Church has played, and still does play a major role in the life of the Serbian nation. This has to be observed even by those who are not believers in terms of attending church services, but they are and have to be believers in secular terms, even if they deny it.

[Miletovic] Are you one of those politicians who believe that the struggle of the Serbs in the Serb Republic has put off action in Kosovo and Vojvodina, and even, perhaps, saved Serbia for ever?

[Buha] Even more than that. When I compare the events in the Herzegovinian-Bosnian uprising (1875-1878) with that of today, a certain situation inevitably imposes itself. It may favorably turn out that this uprising of ours will contribute in a decisive way to the lifting of the sanctions against Serbia and Montenegro, as well as to their international recognition, just as the Herzegovinian-Bosnian uprising decisively contributed to the territorial enlargement and accomplishment of the independence of those Serbian states. This time, however, it should not happen to our own disadvantage, but rather it should result us uniting into one state.

[Miletovic] Do you believe in the forecast that the Rapid Reaction Force, designed to protect the Blue Helmets, will in fact be deployed to take action against just one side in the conflict, against the Serbs?

[Buha] The role of that force may result in all sorts of things. One of the possibilities is also the one that you are talking about. Still, I imagine that the international community has learned a lesson from the bloody Bosnia-Herzegovina affair!

[Miletovic] At the news conference held in the National Press Club in Washington (26 June), Margaret Thatcher

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stated, among other things, that the Serbs were aggressors in Bosnia-Herzegovina, that they had done the same as the Russians had done in Afghanistan, and that the Serbs must be resolutely told to pack up their arms and go back where they had come from. How do you comment on such lack of knowledge?

[Buha] An even greater lack of knowledge than that of the Iron Lady was demonstrated by U.S. Secretary of State Christopher. The only difference is that Thatcher holds no position. Just remember, when Christopher took office, he concluded that the Serbs should have been halted (bombed) at the very beginning. And the Iron Lady should be reminded of "her" Falklands. With her occasional outpourings of hatred toward Serbs she should not divert public attention from her own personal problems.

[Miletovic] In certain political circles in Belgrade it is being rumored that the arrests of refugees from the Serb Republic and the Republic of Serb Krajina are actually the result of an agreement between Pale and Belgrade. You are supposed to release imprisoned UNPROFOR soldiers to Belgrade, while in return Belgrade will deliver refugees of draft age to Pale. Vuk Draskovic has severely criticized the Pale leadership for this.... Is it really about an agreement?

[Buha] Those political circles should have previously made clear their notions about some elementary things. Since when has the duty to defend one's country no longer been one of the holy duties of each member of any particular national community? Who has declared desertion to be a positive act? The relativization of all and sundry has had to be stopped once and for all. Whether the price to which you refer has really been paid for that is not known to me. The criticism on the part of the gentleman whom you mention I would not comment on. Because I have already been at a loss for words for a long time.

[Miletovic] You are coming under criticisms and attacks, like other members of the top leadership of the Serb Republic. If you knew how the course of history would develop, would you take up your current office?

[Buha] You have used the right term, the course of history, thereby making my answer easier. I decided to observe that, I would say, premier national historical rule, and I have come to the position where I am now. I could not have acted any differently. And if, by any chance, everything had turned out different, I do not know how I would be able to look myself straight in the eye. If you cannot do that, everything is in vain, any calculation or lack of scruples in finding a way out in the face of others, of your nation, and of the heavens. [sentence as published]

Official Opposes Srebrenica Refugees in Croat Areas

LD1507192395 Belgrade SRNA in Serbo-Croatian 1826 GMT 15 Jul 95

[FBIS Translated Text] SRNA, 15 Jul (SRNA)—Ivo Lozancic, deputy defense minister of the Croat Republic of Herzeg-Bosnia, is against the plans to resettle the Muslim population from Srebrenica to central Bosnian towns with a mixed Muslim-Croat population.

"The ethnic structure in Tesanj, Zavidovici, Gradacac, Vares, and other towns with a historic Croat presence cannot be altered without our consent," Lozancic told the Bosnian Croat radio Studio Zepce today.

He said that the president of the Muslim-Croat Federation, Kresimir Zubak, had been instructed to consistently defend Croat national interests during the resettlement of the Muslim population of Srebrenica.

Lozancic noted that "Croats from central Bosnia have been disturbed" by Zubak's statements after the Serb liberation of Srebrenica.

HVO Officer Suspected of War Crimes Arrested

AU1807103295 Rijeka NOVI LIST in Serbo-Croatian 12 Jul 95 p 4

[Unattributed report: "Officer Ivica Rajic Arrested for Massacre of Muslims"]

[FBIS Translated Text] Zagreb—Ivica Rajic, former high-ranking officer of the Croatian Defense Council [HVO] in Kiseljak and the man responsible for the massacre of Muslim civilians in Stupni Do in the course of the Croatian-Muslim conflict, has been arrested in Kiseljak and taken into investigative detention in Ljubuski. As we have learned, this happened shortly before the start of the coordinated action of the Army of Bosnia-Herzegovina [BH Army] and HVO aimed at lifting the siege of Sarajevo.

Mato Tadic, minister of justice in the government of the Croatian Republic of Herzeg-Bosnia, confirmed this information to us yesterday, adding that, beside Rajic, five of his closest aides have been arrested as well. Tadic, however, refuses to make any connection betweeen Rajic's arrest and the ever better cooperation between the Bosnia-Herzegovina Army and HVO, or the notable progress in the process of implementation of the Federation. He stresses that the issue is about the perpetrator of a series of serious criminal acts, including a number of murders. As for the timing of the arrest, he explains it by Rajic's having been out of reach of the Herzeg-Bosnia authorities for a lengthy period.

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"Rajic is not charged only with the infamous massacre in Stupni Do. The public is less familiar with the fact that even Croatian citizens in Kiseljak were a target of his atrocious behavior," Tadic says.

Massacre at Markale Market Place

Rajic came to Kiseljak on the eve of the outbreak of the armed conflict between the Bosnia-Herzegovina Army and HVO, early in 1993. He founded a unit for special missions called Maturice, which was under the direct command of the HVO General Staff in Grude, or to be more precise, Mate Boban and Milivoje Petkovic. In the account of duties performed by Rajic's unit, public executions of Muslims in Kiseljak are placed quite high on the list, and so is the direct and rather open trade and cooperation with the Bosnian Serb forces positioned around Sarajevo, which is quite interesting.

After the well-known massacre at Markale market place in Sarajevo, Rajic went as far as to appear on Bosnian Serb television, where, posing next to a long-range gun, he stated that it was precisely he who had launched the fatal shell on the city. Even though, despite his apparent and strong desire, Rajic could not have done that, his statement caused additional confusion for those who were trying to clarify this crime, and made the Bosnian public wonder about Rajic's motives at the moment when the Washington Agreement was due to be signed.

Resurrected in Split

However, after the signing of the Washington Agreement, Rajic disappears, and the public gets information of his death. Soon thereafter he "is resurrected" in Split, as a more or less successful businessman with valid papers issued by the chief police department in Split, bearing a false name, Viktor Andric. The case becomes a first-class media scandal, which shortly afterwards gets lost in a labyrinth of journalistic attempts to uncover Rajic's mysterious protector, while the international community on that occasion meticulously adds to the list of Croatia's faults also the propensity to impede the work of the International War Crimes Tribunal in The Hague.

Perhaps Rajic's arrest does not deserve to be placed in the context of daily politics, but at the moment in the territory of Bosnia-Herzegovina under HVO control there are too many such cases to be viewed simply as a coincidences or as a "Stibra" [no further reference or context provided] in the Herzeg-Bosnian manner. In Vitez, on 26 June, Darko Kraljevic, HVO colonel, died in a car accident when his Mercedes crashed into a wall at 200 kilometers per hour. During the Croatian-Muslim conflict Kraljevic also commanded a commando unit directly subordinated to the leadership in Grude, and Kraljevic was at the very top of the list in The Hague of suspected perpetrators of atrocities in the village of Ahmici and elsewhere in central Bosnia.

Bucharest Connection

On the other hand, from Capljina one can hear announcements of great purges among the lines of the local HVO, police, and municipal authorities, and, contrary to the practice so far, among those who are considered to be hardliners as well. The reason is reportedly to be found in the decision of the pro-Federation disposed part of the Croatian Democratic Community [HDZ] that the Ljubuski model should be implemented in Capljina, to which almost 90 percent of the Muslims who fled the town at the time of the conflict with the Croats have returned.

An interesting report has recently leaked from the European Democratic Union meeting held in Bucharest, at which the HDZ was admitted to the organization of Christian Democrats as an associate member. According to this report, it was the German Christian Democrats who most strongly opposed admitting the HDZ, arguing that the ruling party's Herzeg-Bosnian part is very remote from the basic principles of Christian democracy. The recent unexpected concession on the part of President Tudjman, when he revealed that even the European Christian Democrats have been asking him whether he intends to bridle the right-wing extremists in his party is also interesting.

While randomly collected clues do not, of course, produce unambiguous and particular conclusions, further events will soon show what this is all about. It is possible that the epilogue of the Rajic case will be simply the classic model according to which "Pedro will hang, and we shall carry on doing what we have always done." Or, it might be that there is the true maturing of the awareness that the alliance of the Croats and Bosniaks is the only way out of the existing situation, particularly if there happens to be no luck and fighting remains the only possible solution. If the latter is the case, the messages of [German Chancellor Helmut] Kohl's Christian Democrats, as well as the announcements of the Bosnian catharsis, could spill over to us, neighbors. Here, however, we need catharses as well, and the sooner the better.

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UN Mission Head: Croat-Serb Cooperation 'Key'

AU1707173295 Paris AFP in English 1653 GMT 17 Jul 95

[FBIS Transcribed Text] Zagreb, July 17 (AFP)—The head of the UN mission in Croatia, South Korean Pyong-sok Min, began his new post Monday saying cooperation between Croatians and Serbs was the key to peace in the country. "Only cooperation between the two parties can lead to a peaceful solution" to the conflict here, the former ambassador to Prague told journalists here. He arrived in Croatia on Sunday.

Pyong-sok Min was named to the post in early July following a restructuring of the UN peacekeepers' mandate in former Yugoslavia agreed by the UN Security Council on March 31. Under the new arrangement, there are three separate peacekeeping missions: Croatia, Bosnia, and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

The mandate for Croatia, which is due to expire at the end of November, was renegotiated after Zagreb refused to renew the previous one, criticising it as ineffective and in effect condoning secessionist Serb land-grabs. In early May the Croatian Army launched an offensive and seized control of part of western Slavonia which had been in separatist Serb hands. Serb forces now control 22 percent of Croatia.

Pyong-sok Min, a married career diplomat of 52 with three children, will work under UN special envoy to former Yugoslavia Yasushi Akashi and UN commander General Bernard Janvier of France.

UN Official on Milosevic Talks, Osijek Fighting

LD1707155595 Belgrade TANJUG in English 1539 GMT 17 Jul 95

[FBIS Transcribed Text] Zagreb, July 17 (TANJUG)—Positive results are expected very soon following Serbian President Slobodan Milosevic's talks with U.N. Special Envoy Yasushi Akashi and international negotiators Thorvald Stoltenberg and Carl Bildt, a UN spokesman told a news conference here Monday.

The new UN spokesman, Filip Arnold, declined to give any details on the basis of which positive practical steps were expected to follow last week's talks in Belgrade. He only said the central topic of the talks had been the situation in Bosnia-Herzegovina.

Commenting the strained situation along the lines separating the Croatian and Serb Krajina forces, UN Spokesman Christopher Gunnes said both sides had violated the cease-fire agreement near the city of Osijek on Sunday.

He confirmed that one Croatian soldier had been killed and nine wounded in the fighting.

Gunnes said the Belgian UN peacekeeper who had been reported killed by Croatian media had in fact committed suicide for reasons which had nothing to do with the fighting.

Head of the Osijek-Baranja County Branimir Glavas and Croatian Military Commander for the Osijek area, Gen. Djuro Decak had alleged that the Belgian UN soldier had been killed in battle.

Tudjman Discusses Situation With Defense Chiefs

LD1707161995 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 17 Jul 95

[FBIS Translated Text] Croatian President Franjo Tudjman today received on Brijuni Island Defense Minister Gojko Susak, Internal Affairs Minister Ivan Jarnjak, and a delegation of top officers of Croatia's Armed Forces and national security. The meeting was also attended by General Janko Bobetko and General Zvonimir Cervenko, respectively the former and current chiefs of staff of the Croatian Army. The meeting was convened as a farewell ceremony for General Bobetko who is bound by the law to retire, and also in order to examine defense issues in the current international situation and the position of Croatia in the light of the exacerbation of the situation in Bosnia-Herzegovina.

Commanders of operational zones and top military officers briefed the president about the current situation in their operational zones. In conclusion the president stressed the need to consistently implement the state policy in all areas and levels of the state's civilian and military authorities.

Granic Leaves for Iran, Russia Visits

LD1607083195 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 16 Jul 95

[FBIS Translated Text] Mate Granic, Croatian deputy prime minister and minister of foreign affairs, left this morning on an official visit to Iran and Russia. His hosts will be the foreign ministers of these states, 'Ali Akbar Velayati and Andrey Kozyrev. The talks are expected to focus on the situation in the region, especially in the occupied parts of Croatia and Bosnia-Herzegovina.

Minister Granic and his hosts will also discuss progress achieved in economic cooperation. It is expected that several protocols and agreements on economic cooperation between Croatia and Russia will be signed in Moscow.

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Notes Iranian Support

LD1707180995 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 17 Jul 95

[FBIS Translated Text] We have just received Minister of Foreign Affairs Mate Granic's statement following today's talks with officials of the Islamic Republic of Iran.

[Begin Granic recording] It is our shared conclusion: the total failure of every mechanism of the international community, the United Nations in particular, to protect the civilian population and to resist the Serbian aggression. As far as the Republic of Croatia is concerned—full support for the right of the Republic of Croatia to reintegrate its occupied areas and support for the current processes; the process of negotiations with the international community so a solution can be found [sentence as heard].

Similarly, [support for] Croatia's legitimate right to take control of all its territories, and full support for president Tudjman's initiative regarding a meeting with President Izetbegovic and other top-ranking officials of the Federation and the Republic of Bosnia-Herzegovina. There is a great deal of expectation raised by this meeting. It is expected to consolidate the Federation and forge firm links between the Federation and the Republic of Croatia as the firmest guarantee of resistance to Serbian aggression. It is also the sole guarantee that an ultimate solution will be found which will satisfy the Croatian and the Bosnian peoples in Bosnia-Herzegovina. [end recording]

Kacic Discusses Border Problems With Slovenia

95BA0284A Ljubljana DELO in Slovene 22 Jun 95 p 7

[Interview with Dr. Hrvoje Kacic, chairman of the Croatian State Commission on Borders, by Peter Potocnik; place and date not given: "Considerable Successes of Which the Public Is Barely Aware"]

[FBIS Translated Text] An interview with Dr. Hrvoje Kacic on the results of the expert groups and the Joint Diplomatic Commission on defining the state border between Slovenia and Croatia.

From our correspondent.

Zagreb, 21 Jun—If the main problem in defining the land border is Slovene ownership of the military installation on Sveta Gera, which, according to the findings of Slovene and Croatian surveyors is on the Croatian side, then there are only a few unresolved issues left in Croatian-Slovene relations along the 670 kilometers of the state border, as Prof. Hrvoje Kacic, chairman of the Croatian State Commission on Borders, claimed in an extensive interview for DELO.

[Potocnik] A year ago, in a DELO interview, you stated that in the Diplomatic Commission you had reached agreement on 77 percent of the state border between Slovenia and Croatia, and now at most 2 percent is supposedly in dispute. In spite of this, it seems from the outside that the results of the work on defining the state border are lagging behind expectations, and in a way are also a burden on neighborly relations.

[Kacic] It is true that we cannot boast of tangible results, but during the past year much progress has been made toward a solution. Consequently, we can nevertheless be satisfied. Although final results have not yet been completely coordinated, we have determined that our views are identical in many areas regarding the land border, where one year ago we observed significant differences among specialists, especially surveyors. The scope of the disputed issues is being narrowed; another eight disputed points are unresolved on land, where, after thorough analysis, final solutions are already in sight. At the last meeting between Drnovak and Valentic on Otocac near Krk, the Diplomatic Commission was encouraged to concentrate its work on those points where there are still differences. We are now precisely at that stage in our active work in which we are attempting to bring closer together the positions of our two countries' experts, who are working in groups and also in the Joint Diplomatic Commission.

We have not achieved any fundamental progress with respect to the sea border, however. It is quite clear that there will be no obstruction, under any circumstances, of free navigation for Slovene ships and ports to the open sea; that is indicated by the analyses, and it is also Croatia's unaltered position. I hope that in the next few weeks we will be able to negotiate more specifically on those issues, which today are still very sensitive, among other things because the expert groups have not gotten to the bottom of them yet.

[Potocnik] What, then, is most controversial about the problem that, for the sake of simplification, is called the Piran Bay?

[Kacic] We agree completely that it is necessary to act in accordance with the strictest ecological standards, and likewise to take into account morphology, and protect the fish population in the Piran Bay, which constitutes a geographically complete entity. With respect to the superstructure, however, it is necessary to specify the kind of regime that will not affect any of those areas. In short, we have to find solutions that will be acceptable to both sides. Of course, it is another question whether it will be necessary to make any adjustments on the

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coast, because, according to the convention on the Law of the Sea that was adopted in 1982 and has been in effect since the end of last year, the borders at sea are not difficult to define.

[Potocnik] It seems to me that in defining the sea border you have been spinning around in a vicious circle for a long time, possibly also in order to avoid upsetting the public unnecessarily, as was said at one time.

[Kacic] No, we are not concealing anything at all, because after all we cannot talk about any sort of hidden elements of the problem, and it is in its nature that it still has not been reviewed comprehensively enough for an analysis of why it is even occurring as such. It would be senseless to make more or less of a fuss about the proposals to date by the Slovene or Croatian side, which are being withdrawn in one way or another, because we would thus act contrary to the established principles of operation of the Diplomatic Commission. We have focused our work on seeking joint solutions that we can adopt in a few weeks. Perhaps we will get to the bottom of the matter, but I do not see any sort of tragedy if we do not succeed in that. Then we will obviously have to agree on provisional solutions, which is considerably better than hasty decisions after which one side or the other would have a bad conscience or feel injured. Furthermore, one should also not overlook the fact that the sea border between the young states was never drawn in the past.

[Potocnik] Then let us go back to the land, where there are still eight disputed points in defining the border. Can they be compared with those at sea?

[Kacic] Although it is true that some cases on land are also difficult to resolve, I would not compare them with the ones at sea. On land, however, we are encountering the well-known difficulties that in this case or that, according to the land registry books the border goes through a yard or even through a house, and so forth. It is therefore necessary to establish in that field the standards that are used by the EU countries. We are encouraged by the good cooperation between the Interior Ministries, especially the Border Police, and primarily the local border population. Along the Mura there are joint goodwill commissions in operation, which, in direct contacts, are quite successfully uncovering the difficulties and trying to resolve them themselves, and similar cases have also been noted along the Sotla and elsewhere. I can state with satisfaction that that kind of atmosphere is also prevalent in many areas, which give us practical guidance and also a model for how we should resolve disputed border issues, which will be forwarded later on through the deputies up to Zagreb and Ljubljana, as we agreed several days ago at a meeting of the cochairmen of the Diplomatic Commission in Mursko Sredisce. I must admit that we went into the field with mixed feelings, because, judging from the newspaper accounts, we thought that the relations between the border populations were considerably more complicated than they actually are. In the existing circumstances, when the newspapers are grabbing after sensations, the sunny side of relations to date has been ignored or forgotten. Instead of those cases, which are innumerable on both sides of the border, isolated cases that indicate a lack of cooperation are being publicly stirred up. Sveta Gera is also one of those cases....

[Potocnik] ...Or Trdinov Vrh, if we look at it from the Slovene side. Your latest visit to that peak was also unfavorably covered in Slovenia, primarily because of accusations from the local population against the Slovene Army. In this case it is particularly interesting that there is virtually no border dispute there, and instead the Croatian side is only bothered by the fact that its liberators have the former JNA [Yugoslav People's Army] communications facility in their possession.

[Kacic] That is quite true, but the experts, the surveyors, have determined precisely where the border runs and that the military installation is on the Croatian side, and thus it is only a matter of time before the issue is settled. It is also true that at the time of liberation it was important to the Croatian side that the Slovene territorial forces on Sveta Gera work against the Yugoslav Army, but three years have already passed, and certain decisions need to be made, because in the final analysis this is not an issue of having the Slovene Army replaced by the Croatian Army at the installation. It would be best not to have any army there at all, but only mountaineers and other tourists, and that is what I am striving for.

[Potocnik] Sveta Gera, or Trdinov Vrh, is consequently the most disputed point in defining the state border on land?

[Kacic] If you insist, then the answer is affirmative. Specifically, I would rather not express myself in superlatives regarding these issues. I have thereby also virtually given the answer that in defining the state border we have not run into insoluble problems; everything has proceeded without calling for assistance from international arbitration or seeking any sort of satisfaction at an international court. The liberation documents of Slovenia and Croatia from June and October 1991 are increasingly more important, not only for us who are working in the joint Diplomatic Commission and acting in accordance with those principles, but also for those who are trying, on one side or the other, to misuse the attempt to settle the disputed issues regarding the border and in connection with it by reviving old or new

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territorial claims, which both liberation documents, so to speak, threw in the dustbin of history.

Tomac: Milosevic's Serbia Should Be Destroyed

AU1707124995 Zagreb GLOBUS in Serbo-Croatian 14 Jul 95 pp 9, 11

[Interview with Prof. Dr. Zdravko Tomac, Social Democratic Party representative in the House of Counties and former deputy prime minister of the Government of Democratic Unity during the war, by Davor Butkovic; place and date not given: "Croatia Will Solve Its Problems With the Serbs Through War, but, Before That, It Has To Strike a Firm Alliance With Alija Izetbegovic!"]

[FBIS Translated Excerpt] [Passage omitted]

Russian Military Agreement With Serbia

We talked with Prof. Dr. Zdravko Tomac, the SDP [Social Democratic Party] representative in the House of Counties and former deputy prime minister of the Government of Democratic Unity, about the conditions under which a new Croatian military action could occur, and about its political justifiability.

[Butkovic] Do you think that soon, as estimated by a large part of the Western public and some representatives of the UN in Zagreb, there will be a new Croatian Army action for the liberation of the occupied territories?

[Tomac] One has to say first that Milosevic's Serbia is much stronger and more determined than a couple of months ago. Russia has definitely sided with Serbia, and that means Greater Serbia. Russia does not support Serbia only politically and economically, but also militarily. For the present Russian leadership it is important to legalize the project of Greater Serbia, so that later, referring to the Serbian or Yugoslav precedent in front of the international community, Moscow can realize the project of Greater Russia.

The Russian military agreement with Serbia has brought the West to face a fait accompli. Having signed that agreement, Russia has lost even the smallest remnant of its credibility as a neutral mediator, as a member of the Contact Group or the Zagreb minicontact group, or as a member of the peace forces. The international community will soon have to look for solutions for these areas without Russia.

New Proclamation of War

[Passage omitted] [Butkovic] Do you think that Milosevic will not allow, without a strong military response, another debacle, like the defeat in western Slavonia?

[Tomac] It is obvious that Serbia has decided, regardless of all existing internal political differences and personal prejudices among the most influential politicians, to uniquely support Karadzic and Martic. We must get rid of the illusion that Milosevic has renounced Karadzic and that he will renounce Martic.

Today, he still unconditionally supports them militarily, which can be seen in the tragic events in Srebrenica.

Talking about Croatia, Milosevic has entered Baranja and eastern Slavonia again with his army. Further, Milosevic has concentrated large military forces at Sid, which is close to Croatia's eastern border, so that, by a possible action through Croatian territory, the Serbs can get to Orasje and thus also from the northern, Croatian, side can secure the Posavina corridor.

The Serbs, for the time being, supported by Milosevic, want to cleanse Posavina and eastern Bosnia and thus create conditions for the creation of a small Greater Serbia, which should consist of the so far occupied parts of Bosnia, then the now free parts of eastern Bosnia and Posavina, as well as Baranja and eastern Slavonia. The main objective of Milosevic's present activities, which in fact should be named a new proclamation of war, like the one from 1991 and 1992, is the annexation of Baranja, eastern Slavonia, and the occupied parts of Bosnia-Herzegovina to so-called Yugoslavia! [passage omitted]

Milosevic Becomes New Tito!

Leading Croatian statesmen have long claimed that the solution to the crisis is in Belgrade.

I think that this is a disastrous mistake. We, ourselves, by some radical moves, have to take upon ourselves the responsibility for solving the crises in Croatia and Bosnia-Herzegovina.

[Butkovic] What do you mean by radical moves?

[Tomac] Croatia and Bosnia-Herzegovina have to directly inform the international community that they accept neither the Peace Plan of the Contact Group for Bosnia-Herzegovina nor the Z-4 Plan for Croatia!

The Bosniaks and the Croats once accepted the Plan for Bosnia-Herzegovina as a compromise and as a token of goodwill to reach a final solution through negotiations. The international community, meanwhile, instead of imposing even stronger sanctions on the Serbs for rejecting the Peace Plan, agreed to reconsider the Plan, and to reconsider it in favor of the Serbs. [passage omitted]

The stay of American diplomat Robert Frasure in Belgrade, which has now already lasted several months,

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has mostly amounted to persuading Milosevic to leave Russian protection and to incline toward the West.

And thus Slobodan Milosevic becomes the new Tito. He is a man that varies between West and Russia, who blackmails both sides, because both sides, to a small extent, thanks to the wrong policy of Zagreb, think that the crisis in the Balkans will be solved in Belgrade.

Milosevic has been blackmailing the West, asking for economic help and the lifting of the sanctions, before providing any concrete results in peace negotiations, and at the same time he openly supports the massacre in Srebrenica and organizes new aggression against the Republic of Croatia. [passage omitted]

[Butkovic] You talk about strategic political concepts. Meanwhile Milosevic has sent some 4,000 professional soldiers and some thirty M-84 tanks. How will Croatia respond to this threat?

[Tomac] I think that Croatia has to a certain degree already responded. Milosevic has recently concentrated very respectable military power at Sid. We have had information that they intended to enter Croatia, and not only into the occupied territories. Therefore, we have, at the same time, gathered our very large forces on the demarcation line in eastern Slavonia, which prevented a Serbian breakthrough toward the corridor.

"I Am for Military Action"

[Butkovic] Since in the last four weeks Milosevic has sent significant military forces into Croatia, who can guarantee that in the next couple of months he will not send 20,000 or 30,000 professional soldiers and some 100 tanks more into Croatian state territory?

[Tomac] That is an appropriate question. I am just afraid you did not quite understand me. I am for military action. I consider that the project of Greater Serbia can only be destroyed by Serbian military defeat. Milosevic's Serbia should be destroyed. That is the only just and reasonable end to the crisis in the territory of former Yugoslavia.

However, we must create preconditions for military actions.

I have just returned, together with Marko Veselica and Anto Kovacevic, from Germany, where I had talks with German politicians. They do not reject the possibility that Operation Lightning [Bljesak] was in fact part of a tacit agreement between the international community and the Croatian and Serbian leadership, in order to find a compromise solution through a Serbo-Croatian agreement.

The point in question is that Milosevic is generally no longer interested in western Slavonia, Glina, not even in Knin, but only in the realization of the idea of the small Greater Serbia, which comprises Baranja and eastern Slavonia of Croatian territories.

According to such interpretations, Milosevic is ready to leave all the "krajinas" for Croatia, with a symbolic military resistance, in order to get the eastern part of Croatia.

You know that the Z-4 Plan also means five years of status quo for the eastern occupied parts of Croatia. After those five years, a referendum should be carried out. The results of that referendum are already known and are utterly unacceptable for Croatian state interests.

We can even run the risk that our military actions, even toward Knin, can work toward the realization of the project of the small Greater Serbia.

Milosevic Will Not Defend Knin

[Passage omitted] [Butkovic] Do you think that there will be war in Croatia soon?

[Tomac] I am not a military expert. However, if the Croats and the Bosniaks agree upon their joint action against the Serbs and upon the joint proposals that should be sent to the international community, then I think that military actions, too, at least to a limited degree, should not fail to take place. And they should take place relatively soon.

Development, Capabilities of Degman Tank Examined

95BA0279A Zagreb GLOBUS in Serbo-Croatian 9 Jun 95 pp 10-11

[Article by Igor Alborghetti: "A Tank the Krajina Serbs Cannot Destroy"]

[FBIS Translated Text] The Croatian Degman tank, first presented to the public at the recent Interprotex Exhibition at the Zagreb Fairgrounds, is actually a successor to the Yugoslav copy of the Russian T-72 tank, which was produced with the designation M-84. The Croatian designers, using their own experience in final assembly of the M-84 tank, and with advice and expert assistance from experts of the Croatian Army, who are most familiar with the good and bad points of this tank, undertook to develop a model that in many respects retained the recognizable line of the older Russian brother, but numerous modifications make it special among world competitors.

The story about the birth of the Degman begins back in the late 1970's, when the then JNA [Yugoslav People's

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Army] General Staff decided to modernize armored units, which until then had been armed with the Russian T-55N54 heavy tanks, which were designed back in the 1950's. The development of antitank weapons, especially guided projectiles in the second and third generation, which during the Israeli-Arab wars turned the Egyptian T-55 armored vehicles, then the striking force of that army, into a pile of charred steel, profoundly disturbed the generals in Belgrade. A decision was made to urgently modernize Yugoslav armored units, and because Western technology was "ideologically impure" to the generals brought up as communists, the T-72 tank, a Russian product, was chosen. According to certain sources, about 300 tanks were purchased, but the Russians were also asked to sell a license to make the T-72. The negotiations hit a snag, because the then USSR did not think it sensible in a trading context to grant Yugoslavia a license, calculating that it was more financially lucrative to constantly deliver spare parts at a good price.

The Kapela Project

When this situation developed between Moscow and Belgrade, the top Yugoslav military leadership decided to begin its own production program. The program, given the name Kapela, involved about 5,000 different producers in the then Yugoslavia. That step was an important technological advance, because until then Yugoslavia had not designed such a complicated combat system for ground forces. In the background, of course, a political fight was raging. Croatia and Slovenia, the two most technologically developed republics, thought it natural for a large part of the production capacity to be located on their territory, counting on the favorable results of trade with the Army. The Serbian generals and political leadership of the then SFRY [Socialist Federal Republic of Yugoslavia] supported an option which opposed that. In that tug-of-war, according to certain sources after an intervention by Ante Markovic, some kind of compromise was reached.

Croatian firms were given only a 7-percent share of the total product, but the final product was assembled in the plants of Djuro Djakovic in Slavonski Brod. Fifteen years later, this became the nucleus for development of Degman, the fourth-generation Croatian tank. In the conflict with Serbian factories, MINEL of Belgrade and MIN of Nis, Djuro Djakovic had one great advantage: the experience of its workers and engineers and special welding equipment, which had been purchased at one time to make parts for the Krsko Nuclear Power Plant supplied by Westinghouse, a U.S. company.

The most important part of the M-84 tank, the fire-control system, or what military experts call that weapon's electronic brain, was manufactured mainly in Serbia and Bosnia. The gyrostabilizer, the device that makes it possible to maintain elevation and direction of the cannon barrel as the tank moves, was manufactured in the Belgrade factory Teleoptika; the cannon computer, the digital processor that processes the data necessary for opening fire effectively, was manufactured in Rudi Cajevec in Banja Luka, and the sighting device in the factory Zrak in Sarajevo. Only the Slovene electronics industry Iskra became part of that select company by delivering the laser range finder. What is more, the hydraulic assemblies were also manufactured in the Serbian Petoletka in Trstenik, and the diesel engine was assembled in the Petar Drapsin factory. The cannon, which had a 125-mm smooth barrel, was cast in Novi Travnik, in the Bratstvo factory, which is today in the hands of the Army of Bosnia-Herzegovina. The turret of the M-84 tank, which weighs eight metric tons, was made in the plants of the Jesenice Steel Mill in Ravne na Koroskem. The technological process of manufacturing the hull of the tank was entrusted to the Macedonian [The Former Yugoslav Republic of Macedonia] metallurgical combine 11 Oktombri in Prilep.

Sandwich Armor

That was when what is called sandwich armor, or special multilayer armored protection for the tank chassis, first began to be made in what was then Yugoslavia. In the same factory, a production line and system of special presses were set up to make that armor, which was developed in the late 1960's in Great Britain and given the name Chobham. The armor is made with a technology and materials that afford greater endurance of the tank, because the differing densities of the materials (metals—steel, titanium, and aluminum, and nonmetals—ceramic and synthetic components), against which the jet from the shaped charge in the head of the antitank projectile operates, reduce its penetrating ability. When the first M-84 tanks left the assembly line, foreign military analysts found them better than the original T-72 Russian tank, and they therefore drew the attention of certain foreign customers. For example, the Kuwaiti armed forces ordered about 250 M-84's along with command vehicles and vehicles for logistical support. The value of this contract was about $400 million, but because of the Serbian aggression against the Republic of Croatia the entire delivery was postponed. In late 1991, the Serbian generals estimated that Croatia did not have enough technical and production capacity to continue production of the M-84A tank, and that is why they were not particularly concerned about large inventories of certain components in the Djuro Djakovic factory. They estimated that

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without delivery of vital parts of the fire-control system and hydraulic assemblies there was not the slightest possibility that production would be resumed.

Nevertheless, the persistent effort of Croatian specialists and the linkup of production capacity and large state systems and small private factories and workshops overcame the technological gap. The factory in Slavonski Brod has not only started production of the M-84A tank, but also has managed to make even the prototype of the first Croatian tank, the Degman!

The idea was to design and produce a heavy tank that would correct all the shortcomings of the M-84 and become the backbone of future Croatian armored units.

A team of experts was brought together at Zagreb University and the Shipping Institute; they began the technical conception of the Croatian tank. The fact that 70 percent of the parts of the tank are manufactured in Croatia for the Degman tank says enough in itself. The designers gave the Degman the same form of the chassis of the M-84A tank, but they changed the turret, the most sensitive part of the old M-84.

The new turret differs in its shape and in the material of which it is made. It has been tailored from composite materials, and although in the Zagreb presentation it was covered with camouflage net, one could see on it characteristic places where composite sandwich armor had been welded to it. This modification has essentially strengthened the most sensitive points of the 84; that is, equal resistance has been accomplished between the turret and the hull of the Degman, which makes it possible for the three-man crew of the tank to last much longer on the battlefield, and a larger number of electronic assemblies necessary for effective operation have been installed.

Research has shown that during the Gulf war, the last large conflict in which massive use was made of tanks, the average operating action of the Iraqi T-72 tank, manufactured in Russia, was seven minutes, and many tanks were knocked out by direct hits on the turret.

The Reactive Turret

Another striking detail of the Degman are the black plates of reactive armor layered on the hull and turret of the tank. It is this reactive armor, military experts judge, that is the greatest technological breakthrough of the Croatian military industry, which has been congregated in the Alan grouping since the beginning of Croatian independence. Production of this material required several years of work, because the principal ingredient of that form of passive tank protection is a special kind of explosive located within those metal plates. The way the reactive armor operates is that the explosive is activated by the shaped charge of the projectile at the moment of the strike to the part of the turret or hull of the tank that has the protection. The projectile is simply repelled from the tank, or the effect of the jet from the shaped charge is nullified.

Pentrite, a type of high explosive, is the heart of the reactive armor used in the Degman. It is produced in one of the Croatian chemical plants by a domestic technology and from domestic raw materials. A special phlegmatization procedure deadens that otherwise highly sensitive explosive so that the protective shield is not activated following a strike of ammunition from an infantry weapon. On the battlefield this affords an exceptional technical advantage, because the Krajina Serbs do not have a projectile, either artillery or missile, with double shaped charges, which is the only effective weapon against such a tank.

What is more, there are plans for installing an active system to hinder and incapacitate antitank projectiles of the most recent generation. The system should be very similar to that of the T-90U Russian tank, which is known as the Shotra-1, and the operating principle lies in blinding the antitank missile—that is, jamming its guidance. The same system is equipped with launchers of infrared decoys and aerosol protection, which sprays a droplet curtain around the tank. The curtain prevents the penetration of laser beams used to guide the enemy missile, and the system needs less than three seconds to be activated. At the same time, it establishes the exact point from which the missile was fired, and the turret and gun barrel are automatically turned in that direction. Not a single tank produced in the West has such a system in its armament. By contrast with the M-84, the Degman has dual commands for opening fire; that is, the commander of the vehicle and the gunner can automatically open fire against a located target. This innovation was introduced after studying experience in the Homeland War, when several enemy weapons attacked a tank at the same time.

Three Types of Shells

The cannon is the same as on the M-84, the diameter of the barrel is 125 mm, and it fires three types of shells: shaped-charge, subcaliber, and an immediate-action high-explosive shell. This cannon is able to fire laser-guided antiarmor missiles, which like the other shells are part of the tank's combat complement. These missiles penetrate armor 700 mm thick. Serbian military experts did not expect this kind of rapid technological development of the Croatian military industry, and the emergence of the Degman, if only in its preproduction version, gives the Republic of Croatia an essential advantage.

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Even back several years ago, the Serbs, following trends in the development of armored vehicles in the world, tried to sketch a tank without a turret, and it became known under the name Vihor. The design never got behind a sketch on paper, and the UN sanctions had something to do with that. Recently, the FRY [Federal Republic of Yugoslavia] signed a treaty on military cooperation with Russia, and foreign military analysts emphasized Belgrade's interest in buying new tanks.

The engine of the Degman is of the same design as the M-84A tank, that is, a reliable 1,000-horsepower diesel engine, which in certain characteristics (the piston stroke and crankshaft) is the same as the one that propelled the best tank in World War II, the T-34. The torque has been strengthened and the intermediate gearing system altered, which, compared to the previous modification of the engine in the M-84, increases the power 20 percent and the speed 5-10 km/hr. Use of a diesel engine with a gas turbine was also considered, but this possibility was rejected for practical reasons. The weight of the tank and the power of the engine stand in optimum relationship. The Croatian designers have continued the good tradition in manufacturing new combat systems, avoiding expensive and risky experiments, which in the course of time lengthened the design time and increased the product's cost.

The tank, or prototype, which was exhibited in Pavilion 11 at the Zagreb Fairgrounds, is still not combat-operative. To be sure, the engine works and the tank can move, but the turret has simply been set in the hull and cannot move. The fire-control system is not yet refined, so it has not been installed in the turret. Indicated in percentages, about 30 percent of the work still remains to finish the Degman. Some experts say that the tank was presented to the public too early, because it could give the Croatian public the wrong idea, and that could have the opposite effect from the one desired. That is, manufacturing a fire-control system is a difficult and lengthy process, especially under the conditions of the UN embargo.

Mikelic Calls For New Elections in Krajina

LD1707210295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1947 GMT 17 Jul 95

[FBIS Translated Text] Borovo Naselje, 17 Jul (TANJUG)—The only solution to the political crisis in the Republic of Serb Krajina [RSK] is a new election, Borislav Mikelic, resigning prime minister of the RSK government, said in Borovo Naselje today.

Speaking to reporters after a closed session of his government, Mikelic reflected on a recent event in Mirkovci, i.e. when a session of the RSK Assembly failed to take place due to the dissatisfaction of deputies from Slavonia, Baranja, and western Srem. He said that Krajina's political crisis reached its peak at that point.

In Mikelic's view, new elections would provide the RSK with a new way of organizing power which, in the future, should not be placed only in the hands of the president of the Republic and the president of the Assembly.

At today's session it was stated that about 75 percent of wheat and rye fields in the RSK have been harvested. The harvest should be completed by the end of the week. A record yield of 20,000 tonnes is expected.

The government has decided to offer another 5,000 tonnes of wheat to companies in Serbia in return for building materials which would help solve the problem of accomodation for refugees from western Slavonia.

Says No Mention of Unification

AU1707104095 Belgrade POLITIKA in Serbo-Croatian 12 Jul 95 p 7

[Article by "R.K.," containing interview with Borislav Mikelic, former "prime minister of the Republic of Serb Krajina" in Croatia; place and date not given: "Mikelic: Babic Is Forming Government of Political Opposition to Belgrade"]

[FBIS Translated Text] After the time and place for the session of the parliament of the Republic of Serb Krajina [RSK] was changed many times, it has finally been announced that it will be held today in Mirkovci, eastern Slavonia; Milan Babic is expected to propose his government there.

What does Borislav Mikelic, former prime minister of Krajina, say about that?

No Longer Any Mention of Unification

"Yes, according to the official explanations from Knin, the session was postponed 'out of technical reasons'; whereas in fact it was because of Martic's and Babic's activities on the disintegration of the RSK, with the logic of the parliamentary session of 18 March held in Borovo Selo. Let me remind you that that session ignored the topic of the military fall of western Slavonia and the tragedy of the Serb population in that region; instead, the topic of the 'urgent unification' with the Serb Republic [of Bosnia-Herzegovina] was imposed.... A lot of time has passed, and yet there is no unification, nor have any moves been announced for the realization of that project. The announced joint parliament session of Pale and Knin has also not been held! In short, all that was nothing but the manipulating of the delegates and the

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people so that Milan Martic could avoid responsibility for the mentioned military defeat."

Mikelic believes that the consequences of this have been great. There has been a polarization, an internal division within the RSK, between the eastern and the western part. The delegates, and reasonable people in general, from eastern Slavonia, western Srem, and Baranja, tried to point out the suspicious conditions of the "urgent" unification, but they were swiftly negated by the Knin leadership. Mikelic says they were declared to be secessionists, and the culmination was the nonconstitutional ouster of the previous government.

Mikelic says that a "Pale-Knin radical government" is about to be presented in Mirkovci. What does he mean by that?

[Mikelic] Their irrational spite is obvious: Exactly that sort of government will be formed there, in the close vicinity of Serbia and of Belgrade! In spite of those who have not accepted the new prime minister! Instead, they should be aware that in this way they will only harm the RSK....

The Need for New Elections

[Mikelic] I want to remind you of the public statement made by the representative of the municipalities in the eastern part of the RSK, as well as by two vice presidents of parliament, who four days ago decided negatively about the removal of the old and the election of the new government; they were particularly against its being done in Mirkovci. Yet, spite has won....

[POLITIKA] Martic is insisting on a government of national unity?

[Mikelic] Judging by all one can see, that goal is a long way off. National unity in the RSK cannot be built only on the political agreement of the radicals and the Serbian Democratic Party [SDS] of Krajina. Babic has become the prime minister, and it is well known that he and his ministers have been heavily criticized for their work, and with good reason. At the same time, the ministers who performed all state activities have been discarded. In short, Babic has formed a government of political opposition to the Republic of Serbia and to Yugoslavia. And that is the course Martic is following as well, ever since the famous assembly in Plitvice. Official Belgrade is being accused of so many things, and at the same time they believe that they have to get everything they want from Belgrade.

[POLITIKA] What do you think is the way out?

[Mikelic] In the RSK there has been a qualitative change in the army leadership. General Mrksic [Krajina army commander] is a great hope of Krajina. At the same time, the people are more and more convinced of the need for new elections, so that Babic's government should not last long. After all, how is it possible that Banija, with 80,000 inhabitants, is represented by only one minister in the new government, and transport minister at that; together with the lack of competence, examples of that sort are numerous.

Serbian Media Accused of Causing Krajina Rifts

AU1707195395 Banja Luka GLAS SRPSKI in Serbo-Croatian 14 Jul 95 p 2

[Commentary by Davor Lukac: "'Undesirable' Deputies"]

[FBIS Translated Text] The cancellation of the session of the Republic of Serbian Krajina Assembly in Mirkovci and the unprecedented scandal caused by the ban on the entry of a group of deputies from the western part of the Republic of Serbian Krajina to the eastern part have again shown that the differences in the leadership of Krajina have not been overcome, and that the government of national unity, once it is formed, will need a lot of time to achieve unity, at least regionally.

The events at the border crossing in Tovarnik showed openly this time that there is a group of people with influence in that region, who are trying to secede.

The reporters, who, unlike the deputies and ministers, were allowed to enter Mirkovci could see for themselves that this was only a matter of a few politicians (current and former) with powerful protectors, and that the people felt completely different.

The people of Mirkovci were embittered, and their reaction was one of condemnation, since they wanted the session to be held in their town.

Some of the deputies, mostly radicals from the eastern part, that were in Mirkovci, held talks with President Martic, who was the only one let in by the police in Tovarnik. They demanded that the session be held at any cost, even at the Tovarnik border crossing, since the first count showed that there were some 60 deputies at the border and in Mirkovci, which was enough to make any decision valid.

President Martic assessed the behavior at the border at Tovarnik as "incorrect," without going into details for the reporters, and announced consultations with all the deputies that same evening in Belgrade.

These consultations did not take place, and Assembly chairman Rajko Lezajic just said briefly that the session to elect the government would be held in Knin. The date for the session was not given, but some of the deputies

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hinted that it would take place most likely in the middle of next week.

It is still unclear who issued the order to the police not to allow the deputies in. None of the deputies or the officials wanted to talk about it, or even guess whom it might have been, and the policemen at the crossing only said that "these are our orders."

The entire area around the border crossing was blocked, and the reporters, who had to go and get their accreditation and work permit in Vukovar, were not allowed on their way back to go to the deputies waiting at the border crossing, but were instead stopped a kilometer away and sent to Mirkovci.

On the way back from Mirkovci, the reporters were stopped in the same spot without being offered any explanation, and they were kept there until the deputies and President Martic left for Belgrade.

While in the Tovarnik area the traffic and border were controlled by the members of the Republic of Serbian Krajina police, in Mirkovci one could see a number of members of the Serb Volunteer Guard, who, with guns on the ready and Zolja portable rocket launchers on their backs, stood opposite the building of the Mirkovci town hall.

The solution to the Krajina mystery will have to be postponed for a while, but the key moments are bound to be at the next Assembly session.

It should at least to a degree decide the question of the sovereignty of the Republic of Serbian Krajina authority in the eastern part of the Republic, as well as elect a government that should implement the decisions on that subject on the ground.

As for the government, it is certain that Dr. Milan Babic will not give up as prime minister designate, since the accusations from the eastern part that the future government is mostly composed of people from Knin are pretentious, since the number of Knin people in the proposed government is smaller than in any government so far, except of course unless the signatories to the statement, the likes of which are so abundantly provided by the state media in Serbia, think that Knin covers the entire western part of the Republic, the former Serb Autonomous Province of Krajina.

This then of course opens another problem, since in that case the western regions of the Republic of Serbian Krajina would be neglected in comparison to the eastern ones.

Many people are therefore keenly awaiting the next Assembly session, which is bound to clarify a few of these issues.

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PDP Chairman Receives UNPREDEP Officials

AU1807111795 Tirana TVSH Television Network in Albanian 1800 GMT 17 Jul 95

[FBIS Translated Text] Arber Xhaferi, chairman of the Party for Democratic Prosperity [PDP] of Albanians in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], has today received (Henrik Sokalski), the new chief of UNPREDEP [UN Preventive Deployment Force] in Skopje, and (Abudwin Williams), a social affairs employee, at party headquarters.

At this meeting, Mr. Sokalski was acquainted with the demands of the Albanians, which find support in the category of the rights that are inherited and in the democratic and human one, which imply immediate changes in the Constitution. [sentence as received]

Mr. Xhaferi stressed the role of UNPREDEP in Macedonia.

The meeting was friendly and of mutual benefit, the Tetovo-based PDP Information Service reports.

Ethnic Albanians on 'Supraparty Council'

95P20912A Skopje FLAKA E VELLAZERIMIT in Albanian 1 Jul 95 p 3

[Article by Ilir Ajdini: "The Positions of the Political Parties on the Initiative of the Albanian Intellectuals—For and Against the 'Supraparty Council'"]

[FBIS Translated Text] Recently, on many occasions, especially during the events connected with the opening of the University of Tetova, when there was a discussion of the activity of the different political parties of Albanians in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], it has been said that a consensus among the parties on issues of national importance is essential. Usually this consensus has been reached informally, without any concrete agreement, but there have been cases where positions have been different, that is, as has often been said: "There have been different modes and methods of operation for achieving basically the same goal."

For about a month, there has been reporting on the initiative of a number of Albanian intellectuals for the formation of a "supraparty council." This name for this forum or association would be a "working title" (which is given to projects in the process of being set up). From the meager information which has appeared in connection with the initiative, it appears that there was a meeting of a number of intellectuals and representatives of various parties and associations and that this council was envisaged as a body which would aim to achieve a rapprochement of attitudes and to coordinate the actions of political subjects on the most important issues related to the rights of the Albanians in Macedonia.

Although it was not promoted in a pompous and vociferous manner, (as we Albanians sometimes do in the case of the issues which never go anywhere) and although, as we know, it has not been implemented and there has been no visible progress, the initiative aroused considerable interest from the public and comments from representatives of the political parties. In order to learn more about the attitudes of the parties, we addressed ourselves to their leaders. We were able to contact some of them directly and, for the others, we are presenting positions expressed on various occasions.

The chairman of the People's Democratic Party, Iljaz Halimi, said, in regard to this initiative: "The initiative of the representatives of the four Albanian associations in Macedonia for the joint examination of the position of the Albanians in the Republic and for the determination of a single strategy of action for Albanian political subjects should not be interpreted as an attempt to form a supraparty body. Such joint action on the part of the Albanian political parties has been needed for a long time but, unfortunately, has not existed until now. This matter was discussed extensively at the first congress of the party and, later, it was included in the resolution approved at this highest-level meeting of the party.

"The purpose of joint meetings is to examine the possibilities of raising cooperation to a higher level and to coordinate goals in regard to many issues, ranking them on the basis of their importance. How this will be achieved does not depend on the desire of only one political subject. Therefore, it is clear that, in principle, we are in favor of forms of joint action, on the basis of a prior agreement, which contribute to the advancement of our status."

In regard to this matter, Arben Xhaferi, chairman of the Party of Democratic Prosperity of Albanians [PDP] in Macedonia, told us: "The idea of the union of the Albanians, unity and a joint manifestation of national interest hangs like Damocles' sword over all those who are concerned with politics today. We, and probably others, have always stressed that the first step is the defining of this interest, the specification of the means and the time for the realization of this goal and then the phenomenon of union would take place by itself. However, this interest cannot be defined because, in the absence of our institutions, there was no possibility for a productive interaction among Albanian political subjects."

The initiative which was mentioned by some associations was in accordance with joint aspirations for the

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creation of a medium in which this cooperation would take place from now on.

However, this mission cannot be carried out by an optional supraparty council but by the creation of a mandatory structure which unites our interests with common interests in the spheres of culture, education, information, the diaspora, sports, religion, etc.

We are in favor of serious, long-term stable structures, which give impetus to internal organization, and not just goodwill initiatives.

Willy nilly, we will all have our Achilles' heel exposed, the chairman of the PDP says.

The chairman of the Party for Democratic Prosperity—the People's Unity Party, Nevzat Halili stresses that "in any event, contacts between Albanian political subjects would have been fruitful and useful in the resolution of the most important issues of national interest." This, according to him, could be achieved by setting up a body which would be supraparty or nonpartisan and, in this direction, an assembly or a meeting would have cleared up matters regarding the initiative under discussion.

We tried to get an opinion on the initiative from the Party for Democratic Prosperity [PPD in Albanian—PDP in Macedonian] but, since we were unable to contact anyone from the top leadership of this party, we will recall the comments of two of the party's ministers, at the extra Central Assembly which was held ahead of schedule. Eshref Aliu said that he accepted the initiative, in principle, but not in content. He emphasized that the PDP would not permit a supraparty council to direct its policy.

Muhamed Halili expressed a similar attitude in the Central Assembly when he said: "I do not think such a council would be good for the PDP. I feel that it would be dangerous for us to allow ourselves to be directed by a suprastate entity, no matter what it might be called. If the PDP needs an advisory body, it will create one from within its own ranks."

Nevertheless, it must be emphasized once again that these are only the discussions of these two ministers. Therefore, this does not mean that their position is also the position of the PDP.

The positions of the parties in regard to the concrete initiative are those, or approximately those, which we noted above. In the meantime, regardless of what the outcome might be, the initiative revives an issue which is of much broader interest than party interests—the need for a consensus (not only in words but a real agreement) on the most important ethnic issues. Although the existence of a number of parties with different viewpoints might be useful, if the hostility among some of them, which been present so far, continues, it could be difficult to achieve the demands of the Albanians in Macedonia.

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German Officials on Bilateral Military Relations

WS1807075095 Warsaw POLSKA ZBROJNA in Polish 17 Jul 95 p 3

[Article by Jan Forowicz: "Building Mutual Trust"]

[FBIS Translated Text] *German Ambassador to Poland Johannes Bauch claims Polish-German military cooperation is developing very rapidly. Defense Attache Commander Hartmut Spieker provides the statistical data to prove it. In 1990, 10 bilateral projects were implemented and, in 1994, 52, whereas 85 are projected for this year. The character of the joint operations is also changing. As far back as five years ago, mostly military athletes and soldiers from the medical services visited each other. Currently, land troops, air forces, and navies carry out joint maneuvers, closely cooperate with each other, and implement exchange programs in the field of military studies.*

The above was stated on the eve of the visit to Poland of Klaus Naumann, general inspector of the Bundeswehr, at the invitation of Tadeusz Wilecki, head of the General Staff of the Polish Armed Forces. A special meeting was held for reporters to mark the occasion.

Ambassador Bauch claims that the most significant fact pointing to a change in how one thinks about the approach to Polish-German relations was the lack of visible public protests to the participation of Bundeswehr soldiers in maneuvers held on Polish territory last year. It was the first operation carried out in Poland with the participation of armed German soldiers in Poland in half a century. Thus, the ambassador states that it is perhaps bad that last year's event was not adequately covered by the media.

Does booming cooperation mean what are called in politics "normal relations"? "The situation is not yet fully normal," says Bauch. "Yet it is developing dynamically. We must remember," he adds, "that military relations are a very delicate matter."

Commander Spieker claims that both Naumann's visit and cooperation between military structures is targeted at building mutual trust between both states. The July visit will bear fruit. Further projects enhancing Polish-German trust are already being considered. The Germans, for instance, are suggesting laying down legal and organizational principles of direct, "nonbureaucratic" contacts between the Polish Armed Forces and the Bundeswehr in the 100-km-long belt along the border on the Odra and Nysa Rivers.

The attache believes that heightened interest in military studies at Polish and German academies is a significant symptom of intensifying cooperation. In the years 1991-95, 95 Polish officers were educated in Hamburg and Munich in such fields as electronics, metrology, aviation technology, computer sciences, economy, etc. Training courses for certificated officers, cadets, line and home front commanders are held. Last year, Bundeswehr officers began studying in military academies in the Polish Republic. Two German officers are currently studying at the Academy of National Defense in Rembertow. Spieker assures us that the choice of the school was theirs.

Several questions asked by the journalists pertained to Poland's membership in NATO. Generally speaking, the response was that we now need a political decision. The technical difficulties of the Polish Armed Forces are in no way an obstacle to Poland's joining NATO. "Claims stating otherwise are sheer speculation." Everything should be done, of course, to guarantee that the Polish Armed Forces are equipped with the most modern military equipment. Ambassador Bauch stresses: "The requirement of finalizing the process of adapting the Polish Armed Forces to NATO standards is not an issue determining Poland's joining the treaty."

Similar answers were given to questions on the outlook for the Polish arms industry when Poland does become a NATO member. Once the aforementioned political decision is made, Polish arms plants will be included in a cooperation network. "We Germans," he stresses, "have already begun approaching Polish plants with such offers. We realize that the idea of converting the arms industry is a superficial slogan. It is also extremely difficult to implement. NATO forces need weaponry and will rely on various products of their domestic industries."

POLSKA ZBROJNA's reporter inquired about German aid in disposing of containers with lethal adamsite left behind by the Wehrmacht in Poland. Bauch said it is still not certain whether the adamsite was really left behind by the Wehrmacht. The debate between experts has still not been concluded. "I hope we will arrive at a solution that will satisfy both parties," he added.

The topic of civilian control over the Polish Armed Forces also surfaced. "The issue gives many people a headache," says Bauch. "At the same time, however, it is a precondition for NATO membership. We say this to everyone who asks our opinion. I am the last person to instruct anyone, but all partners have to guarantee such control. The closer NATO membership is, the more dire this problem will become in Poland."

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Deputy Defense Minister on Russia, NATO

WS1707134395 Warsaw POLSKA ZBROJNA in Polish 14-16 Jul 95 pp 1-3

[Interview with Andrzej Karkoszka, Polish first deputy defense minister, by Janusz B. Grochowski; place and date not given: "The Train to NATO"]

[FBIS Translated Excerpt] [Grochowski] Chancellor Kohl is assuring us that the train we are on is definitely going in the right direction—toward NATO and the EU. Is there any way of saying more exactly where it is at the moment?

[Karkoszka] The station we started off from is hardly visible anymore, but I think the train has only begun gaining speed. Our future membership in NATO, although no political decision has been made as yet, is already viewed as indubitable. There is no fear a red semaphore will stop us in our tracks. Please note that visit by U.S. Defense Secretary William Perry was not a series of spectacular gestures, but an attempt at solving a few of the many problems, particularly those pertaining to cooperation in the fields of technology and training.

[Grochowski] There are, however, no road signs along the tracks that would point us in the right direction, tell us what requirements we are to meet.

[Karkoszka] They were laid down long ago in the Washington Treaty, and all states joined NATO according to the criteria it defined. We must become part of the family of democratic states, respecting common values and having a strong will to contribute to joint defense. Unfortunately, sometimes we only think we know what that means and try to pretend all is well.

We must be frank: Our incapacity to spend more on defense, which causes our Armed Forces to be insufficiently equipped and slowly trained, will sooner or later affect the final verdict on Poland's ability to cooperate with its allies. In several years, it may be even worse than it is now. The fact that we use different types of ammunition or that the tips of gas pumps are not the same are secondary issues that we can eliminate gradually, as resources allow. No one is telling us to hurry. We must continually prove, however, that we truly want to be a good ally. This is very difficult, considering that in reality we are allocating to national defense a mere 30 percent of the budget of the Defense Ministry [MON]. The rest goes to pensions, health care, and other things that do nothing to enhance our defense capability.

[Grochowski] You said we do not need to fear that a semaphore with a stop light will halt us on the road toward NATO. But one saying NYET [Russian for 'no'] is already there.

[Karkoszka] If Poland and its Western partners share the will and interest to expand the pact—and they do—the Russian semaphore will not stop this train, although I do admit that we might have to follow a different track and pass a station or two without stopping or at least slow down. This will definitely stand in the way of developing good relations with Russia.

[Grochowski] Are there any chances of entering into a dialogue with Russia? It has been impossible for three years now to arrange a meeting between the Polish and Russian defense ministers.

[Karkoszka] The invitation for a return visit to Poland remains valid, and it is not our fault that it has not been accepted. We have signals that Moscow is willing to enter talks. The talks should begin as soon as possible, thus allowing us to present our stance to the Russians and explain that our accession to NATO is not targeted against anyone, particularly not against them. I would personally wish to establish contacts with analytical centers that influence public opinion in both countries. They should carry out a study of how far we can cooperate considering our differing views. We should finally forget about the past and sit at a table like equal partners, respecting each other. Perhaps then we could also succeed in solving certain technical problems, including the issue of supplying spare parts that are needed for the military equipment we bought in the Soviet Union. Prolonging the frosty atmosphere will only make entering the dialogue more difficult. We must view that dialogue also in the context of the coming presidential election in Poland and the parliamentary election in Russia.

[Grochowski] Since you mentioned military equipment...it would be in Poland's interests to become independent of the sole supplier that Russia is of spare parts for many types of our military equipment. How far can the Brown amendment help us in this respect?

[Karkoszka] That will depend primarily on our resources. The first Brown amendment, as well the second one, that is currently being developed, tears down the last political and legal barriers impeding technological cooperation between the United States and Poland, and, on a wider scale, with states within the Visegrad Group. This does not, however, mean more money for us, and, if the amendments are passed, we will not automatically receive new military equipment.

[Grochowski] The Clinton administration has earmarked $25 million for cooperation with Poland.

[Karkoszka] Perhaps that would suffice to purchase one fighter plane but without the technical support or pilot training. Purchases of modern equipment are

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very important in Armed Forces anywhere, and, frankly speaking, until the MON finds more resources, it will be impossible to implement any major project. We have developed a project for modernizing the Polish Armed Forces up to the years 2005-10. The necessary technologies are almost within reach. We have adequate research and production potential. We also know what we need to apply for abroad....

[Grochowski] What is that?

[Karkoszka] Antiaircraft missiles, antitank weapons of the newest generation, and aircraft. All we need is money.

[Grochowski] What will those millions be spent on?

[Karkoszka] We would like to allocate half of that sum to equip the 16th Battalion, which is to be ready to cooperate with UN forces or the OSCE in peace operations by December. The remaining sum would be spent on financing our participation in the Partnership for Peace project.

[Grochowski] The Americans tend to help those who are willing to help themselves. In practice, this means that the recipient should earmark a similar sum for the established purpose.

[Karkoszka] We have allocated nearly $8 million to expenses directly related to Partnership for Peace. The government put aside 10 million zlotys in the state budget reserve and just as much in the MON budget. If, however, we add up all the expenses of taking part in the program, we will see they will far exceed $25 million.

[Grochowski] Over one year ago, Poland presented its own Partnership for Peace program. Will it stand the test of time?

[Karkoszka] I think we hit right on target, which was all the easier perhaps because we covered quite a large front. We did not focus exclusively on theoretical disputes or spending money on various exercises. This approach required us to make a larger effort, but it paid off because we currently have cleared the paths in nearly all fields of cooperation and know where we need help and what we no longer need.

[Grochowski] What was accomplished, apart from several spectacular maneuvers?

[Karkoszka] We are the only state in East Europe that has maps allowing the General Staffs of our Armed Forces and those of NATO to cooperate. The Polish unit at Mons is doing very well. We know exactly what we need in terms of command, communications, and logistics and how to get it, which is a success as well.

[Grochowski] What do we no longer need?

[Karkoszka] Those spectacular maneuvers of whole platoons and companies preparing to take part in peace missions. Of course, we will happily accept invitations extended by our partners, but we have suggested that NATO move the training program to a higher tactical level.

[Grochowski] Grand maneuvers?

[Karkoszka] No, because they are terribly expensive. We want joint exercises between staffs because they are far cheaper, and their effects last long after they are over. They would help enhance the compatibility of our command systems with the NATO staffs. When a platoon practices, you can explain even without speaking any language where a trench should be dug or how to hold a machine gun. When, however, regiments and divisions come into play, several types of services have to cooperate.

[Grochowski] What does NATO say to that?

[Karkoszka] We are waiting for a reply. We realize that larger maneuvers, preceded by preparatory seminars, may be held at the earliest in two years.

[Grochowski] One form of our active cooperation with NATO military units, also provided for in the Partnership for Peace program, is involvement in peace missions. Nearly 2,000 Polish soldiers and officers are currently taking part in 12 operations.

[Karkoszka] This is the best possible scale. If the safety of Poland demanded it, these contingents could be increased, but only for a short time because it would be too expensive. I think we should concentrate primarily on preparations for future operations. With this in mind, we have allocated huge sums to equipping a rescue ship that could be used in NATO and UN operations. We follow this guideline also when carrying out the majority of joint reconnaissance air exercises with the Germans, Danes, and Czechs. This allows us to contribute to the peace missions more fully, although our participation is not growing in terms of numbers.

[Grochowski] Will we not have to send commandos to protect the Polish Battalion [POLBAT] soldiers in former Yugoslavia, like the French and English?

[Karkoszka] I hope we will never have to.

[Grochowski] The warring sides have begun shooting at the Blue Helmets.

[Karkoszka] We warned a long time ago that the peacekeeping forces must be prepared for self-defense. We proposed establishing higher operational units, which

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would enhance cooperation between the particular national contingents in situations where peace would have to be introduced by force.

At the moment, I unfortunately have neither the units nor the equipment required to take part in such combat missions. If our soldiers in former Yugoslavia were at risk or we had to evacuate them, we hope—and we investigated the issue when two Polish soldiers were taken hostage—they would be aided by British, French, and U.S. units. We would thus have a debt we would have to repay one day.

[Grochowski] It is difficult to overcome the impression that the international community is helpless in the face of such conflicts. One proof of how common this opinion is was the suicide of Alexander Langer, head of the Italian Green Party, who in this dramatic way protested against the genocide in Bosnia.

[Karkoszka] If we look at it coolly, we will see that many peace operations succeeded in the past—Cambodia, Namibia, Angola, Haiti. Polish soldiers took part in many of them. There are examples, however, that ridicule the international community—Somalia, Yugoslavia. This is the fault of politicians who too hastily and without preparation, sometimes at all costs, launched military operations, and on both sides of the conflict. It is difficult to help them against their own will.

Your fears are not entirely groundless, although you might ask what the alternative is. Cynics claim that reason will reign once more after the opponents destroy one another completely! That is not an admissible solution.

[Grochowski] Let us return to Polish issues. Just before you were nominated—and I wish to congratulate you on that—Danuta Waniek and Jerzy J. Milewski left MON....

[Karkoszka] My nomination coincided also with a heated public debate on defense. Although this is not unusual in democratic states, the arguments that are used are often detrimental to Poland's image abroad. Because I deal with these issues, I have to bear this in mind and act with the utmost caution.

[Grochowski] A nonaligned professional? Is it at all possible?

[Karkoszka] It is not easy, but that does not mean that in difficult situations one should cease to be guided by common sense and loyalty to both the minister and colleagues in uniform. I do not hide the fact that I support strengthening the minister's powers over the General Staff of the Polish Armed Forces, but representing the ministerial stance on this topic I had to remind the deputies that Minister Okonski attempted to find a compromise between their draft and solutions suggested by the president.

[Grochowski] Is your scope of responsibilities a simple sum of the tasks of your two predecessors?

[Karkoszka] I formally took over the tasks of Deputy Defense Minister Milewski, which temporarily include the development of next year's budget and passing several key issues for MON.

[Grochowski] Do you foresee any organizational changes in the ministry?

[Karkoszka] I do not rule them out. I see the necessity of establishing a center coordinating MON's activities in integrating with NATO and the Western European Union. This would not, of course, imply employing more people.

[Grochowski] A week from now, Colonel Marek Zdziech will be listed as the editor in chief for the last time in POLSKA ZBROJNA. It therefore is only natural that I ask you what the future of the military daily will be.

[Karkoszka] The military community undoubtedly needs a paper that would be an objective source of information on the issues it is most interested in. Unfortunately, the prospects are grim as far as financing is concerned. I hope we manage to find the money. Certain plans were made—and most recently suspended—to reform the paper. We are still seeking better solutions. [passage omitted]

Walesa Vetoes Enterprise Privatization Law

LD1707171095 Warsaw PAP in Polish 1707 GMT 17 Jul 95

[FBIS Translated Text] Warsaw, 17 Jul—President Lech Walesa vetoed on Monday the law on commercialization and privatization of state enterprises, a PAP journalist has learned at the Presidential Chancellery Legal Office.

Oleksy Warning About Veto

LD1807125895 Warsaw PAP in Polish 0949 GMT 18 Jul 95

[FBIS Translated Text] Warsaw, 18 Jul—In Tuesday's interview for Polish Radio, Prime Minister Jozef Oleksy warned that if the Sejm does not overturn the presidential veto on the law on commercialization, it could hamper the implementation of the State Enterprises Pact and slow down efforts to catch up with the privatization process.

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The prime minister described Solidarity's opposition to the law as the consequence of the union's statements on "an allegedly sinister course and the government's intention against what, according to Solidarity, is only right— that is, the general enfranchisement." On the other hand, businessmen from the Business Center Club are, according to Oleksy, yearning for the privatization of two, three, and four years ago, which was completely lacking in control and was met with suspicion by the public.

The prime minister also criticized the president's reproach that submitting some decisions by the privatization minister to the Council of Ministers' control allegedly meant the return to collectivism. "After all, the minister is a member of the government, and nobody should be afraid that the Council of Ministers, jointly responsible for privatization, is going to look into it," Oleksy said.

The prime minister said that the report on the alleged links between criminal organizations and civil servants, presented yesterday by the minister of internal affairs, reassured him because the information on the matter "does not make a mafialike picture of the things and does not suggest extensive corruption as far as the state administration is concerned." According to Oleksy, one cannot talk about mafia in Poland but one can talk about "ties leading to crime," which could be transformed into mafialike ties.

The prime minister denied that he had accused Polish National Bank [NBP] President Hanna Gronkiewicz-Waltz of not reducing interest rates for political reasons. In Oleksy's view, however, the NBP president has been too slow in introducing the next reduction in interest rates, taking the level of inflation and inflation forecast into account. The prime minister declared that he was ready to recognize Gronkiewicz-Waltz's prudence, but he would not like this prudence to go too far.

Oleksy expressed concern about "possible politicizing of the central bank" in connection with its president's statements "signaling a certain political attitude." According to him, if Gronkiewicz-Waltz "goes too far toward involving herself in the politics hostile to the governing system, that could have an impact on how she sees her role from the political point of view." "My concern should be treated as a piece of advice to Ms. Gronkiewicz to keep the balance between the political involvement and her own views, which is everybody's right, and the role played in the state, which role should be clearly apolitical," the prime minister said.

More on 16 Jul Walesa News Conference

WS1707140395 Warsaw RZECZPOSPOLITA in Polish 17 Jul 95 p 2

[Article by Piotr Adamowicz: "The President Will Veto the Commercialization Law"]

[FBIS Translated Excerpt] *During a news conference held in Kartuzy, President Lech Walesa announced that he will veto the commercialization law. On 16 July, the president took part at a Mass dedicated to Holy Mother, Queen of the Kaszuby Region, in nearby Sianow.*

The president will refuse to sign the commercialization law because he has been asked to do so by numerous organizations, primarily, as he himself stressed, by Solidarity. Walesa added that he is expecting all of those organizations to back him in attacks he expects from the government.

Walesa also announced that he will withdraw the presidential draft constitution from the Constitutional Commission. The president claims that the draft elaborated by the Senate of the first term is best. He had promised Solidarity that he would back its draft but now hopes he will be released from that promise. Representatives of the Presidential Palace will take part in the activities of the Constitutional Commission, but only because there is such a legal requirement. "I will delegate the lowest-ranking officers," said the president.

Asked about the most recent conflicts between Tomasz Kwiatkowski, the head of the Presidential Chancellery, Ryszard Czarnecki, chairman of the Christian-National Union [ZChN], and [Belweder] Minister Mieczyslaw Wachowski, he said that he will try to persuade them to stop quarreling. "If they do not, I will be forced to mete out a Christian punishment. I will have to do something, perhaps even make some personnel changes," said Walesa.

The president has not yet decided whether to run in the election. He said that he is much closer to making a decision. "Once the election decisions are made, I will have to state on which side of the political scene I am. I might join the ZChN," he added.

Asked about the conflict in former Yugoslavia, the president said that he supports the concept of French President Jacques Chirac on intensifying military operations in defense of Bosnian enclaves. [passage omitted]

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Minister Submits Secret Report on Corruption

WS1807100995 Warsaw RZECZPOSPOLITA in Polish 18 Jul 95 p 1

[Article by Jan Ordynski: "The President and the Prime Minister Have Received a Secret Report on Corruption"]

[FBIS Translated Text] *A report that was developed by the minister of internal affairs over the past few days on factual and alleged ties between corrupt state officers and the criminal world was submitted to President Lech Walesa and Prime Minister Oleksy by Interior Minister Andrzej Milczanowski on 17 July.*

As we learned from unofficial sources, the report outlines the problem in the context of court trials and operations currently under way in courts, the prosecutor's office, the police, and the Office of State Protection. It reveals factual and alleged ties between transgressors and state administration officers, self-government authorities, and bankers.

The authors of the report attempt to describe the mechanisms leading to corruption, allegedly using the examples of the Food Economy Bank, Agrobank, Prosperbank, the Ministry of Privatization (the former Director of the Reprivatization Department, Narcyz H., was arrested on charges of bribery), Interams, CENZIN (the latter was allegedly wronged by the minister of industry in Suchocka's cabinet), the Foreign Debt Service Fund, and Art-B.

The document presented to the president and the prime minister is also said to contain examples of so-called bad loans granted by banks on the basis of protection and bribes. It is said, for instance, that there were and are cases in which bribes equivalent to 7 percent of the value of the loan is demanded for granting it. It was found that preferential loans were granted on the recommendation of state administration officers.

The report states that criminal activities threaten primarily the banking sector, ownership transformations, taxes, and customs.

We also learned that the decision of developing a thorough report for the president and the prime minister was made quite unexpectedly last week, during a meeting between heads of the government and the Ministry of Internal Affairs devoted to state security. Both sides acknowledged the necessity of learning more about the corruption mechanisms.

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Melescanu Views Hungarian Ties, EU Preparations

AU1707173595 Budapest UJ MAGYARORSZAG in Hungarian 17 Jul 95 p 9

[Interview with Foreign Minister Teodor Melescanu by Laszlo Roxin in Bucharest; date not given: "Bucharest Hopes for Signing the Basic Treaty—Melescanu's Interview Before the Hungarian-Romanian Talks"]

[FBIS Translated Text] A few days before Hungarian Foreign Minister Laszlo Kovacs's visit to Bucharest, Romanian Foreign Minister Teodor Melescanu gave an interview to UJ MAGYARORSZAG on the current state of bilateral relations and the chances of the forthcoming talks. Although Melescanu did not mention the Council of Europe's Recommendation No. 1201 which is disputed by Bucharest, he spoke about Romania's intensive European integration strategy.

[Roxin] Before the imminent Hungarian-Romanian foreign affairs meeting—which will focus on the basic treaty—and after the acceptance of the education law, which is unfavorable for the Hungarian minority, what are your views on the possible cooperation of our countries?

[Melescanu] I have stated many times, just as President Ion Iliescu did in Cannes, that bilateral relations are dynamically developing in several areas of mutual interest, and they are better than generally depicted by the press.

Normal, good-neighborly relations based on full and mutual respect are in the basic interest of both countries. The two countries have similar intentions—domestically, in strengthening pluralist democracy and economic reforms, and changing over to a market economy, and both countries have joined the integration process to the European Union and NATO. Objectively speaking, I can say that this requirement [as published] was correctly interpreted both in Bucharest and in Budapest. This is proved by the active political dialogues on governmental and parliamentary levels and by the results of economic cooperation. The relationship between the military organizations is an important factor of stability and security in our region, just as the links are between the cultural and educational institutions and especially the people: At the moment, some 5 million people travel to Hungary from Romania each year and vice versa. Out of our neighbors, Hungary is our most important trade partner and, in military circles, it is a well-known fact that Romania and Hungary applied—first in Europe and the world—the Open Skies agreement, which is considered to be a significant measure both in terms of strengthening confidence and increasing territorial security.

It is worth mentioning the good cooperation between Romanian and Hungarian local government deputies, and the strengthening of the several sister city links, which have excellent results in the area of rapprochement and learning about each other. Naturally, these local activities and initiatives will be even more useful when, with time, they extend far beyond the Carpathians from Romania. [sentence as published]

The Romanian side has made significant efforts to ensure the financial resources necessary for developing and modernizing the western border crossing points. At places where the work is still under way, there is a realistic chance for it to be completed within the near future and thus ease the development of links between people. It is a temporary solution that, supporting certain suggestions of the Hungarian authorities, the Romanian Government accepted a decision on allowing to open some temporary border crossing points to ease the travelling of Romanian and Hungarian citizens.

[Roxin] Regarding these facts, it is obvious that bilateral relations are progressing in the right direction and will not become shallow.

[Melescanu] I am optimistic as regards the basic treaty. We are working on it with all our effort and, if we find agreement, we can quickly sign the document.

[Roxin] Romania is emphatically heading for (Western) Europe. Coming closer to the EU and the later intention of full membership is one of the pillars of this process. Are you satisfied with the speed of integration?

[Melescanu] After the 1989 Romanian revolution, relations between the EU and Romania had gone through a continuous and substantial progress until we got to the current associate membership. At the joint meetings after the agreement on associate membership came into force, the EU explicitly confirmed the principle of nondiscrimination and equal chances of member states, also extending this to future membership of the EU.

I would also like to emphasize that, considering the long-term prospects of EU membership, Romania has devoted special scope to the various forms and methods of regional cooperation, especially in respect of the other member states, as the EU has also reaffirmed its active support in this area. This includes the expansion of the already existing various frameworks in such a way that these should include all the associated countries. Romania pays special attention to cooperation within the Central European Free Trade Association because this is a preparation for joining the EU. Free trade agreements have been signed or are waiting to be signed with Bulgaria, the Czech Republic, Poland, Slovakia, and Hungary.

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22 June saw a special momentum of relations between Romania and the EU when Romania presented its official application for membership to the French chairman of the EU. This document was handed over together with another request. The latter contained the most important elements of Romania's national strategy in connection with EU membership, including the relevant mechanisms and resources, in conformity to being able to meet the requirements of full membership by the end of 2000.

Defense Minister Comments on Army Restructuring

AU1707142195 Bucharest VOCEA ROMANIEI in Romanian 10 Jul 95 p 5

[Interview with Defense Minister Gheorghe Tinca by Mihai Fabian; place and date not given: "National Industry Could Speed Up or Slow Down the Reform in the Army"]

[FBIS Translated Text] [Fabian] Bearing in mind that Romania wishes to join NATO, is there a schedule to be followed in the restructuring of the armed forces, and what does that schedule look like?

[Tinca] There is no schedule for our joining the NATO, and this is precisely the issue currently being examined by our experts and politicians. However, we already have plans for reform in the army. These plans have been conceived in accordance with the resources currently available to us to modernize the army, this modernization being necessary for it to be able to carry out its mission of defending the country under the current circumstances, as well as those that can be anticipated in the short and long run. With the gradual increase of those resources, of course, we will be able to speed up the reform process as well. This year we will conclude the army restructuring phase, which consists in the redimensioning and a better positioning of the military units. The basic idea here is that by restructuring we should create the necessary conditions to have a more flexible army, a more rapid reaction force, and one that is easier to lead. In the long run, when the reform is concluded, our army will also become less expensive. Also in connection with the current phase one can say that Parliament managed to pass the essential laws, which makes it much easier for us to consequently carry on with the reform process. Subsequently, other, more difficult and more complex phases will follow. We are preparing for the year 2000.

[Fabian] How do you explain the fact that despite the measures that were taken, Romanian planes keep crashing? Is it that the equipment is faulty, or is it something else?

[Tinca] I have to knock on wood, because this year we have had hardly any crashes. There was an IAR-type plane, which went up in flames, but the pilots were able to save themselves. Last year there were a lot of crashes. The plane that crashed close to Bacau, which fell during an air show, was not a military plane. It was piloted by two air force officers, but they flew it without permission from the military authorities. They had been transferred to the Bacau aircraft-manufacturing company to work there as test pilots, and participated in that show without previously telling their military commanders. Obviously, the Airbus, as well as the helicopter, which crashed at Fundulea were not military aircraft. Lately discipline was strengthened in the air force, more funds were made available, and perhaps even the pilots have been trying harder. We had reached an intolerable limit, where the prestige of the air force was at stake. However one should be cautious when making such assertions, because we continue to be vulnerable, to a certain degree, regarding air accidents, as they do happen everywhere. What we intend to achieve is reach a risk limit that is normal in any air force. We know that it is difficult to achieve this goal, considering especially that the aircraft will remain obsolete for at least a few more years, but we will still try, and we hope to manage to cut the risks down to a reasonable limit.

[Fabian] How do you plan to solve the social problems that will follow from the fact that activity is to be cut down in certain military branches?

[Tinca] You are referring, of course, to the defense industry. I would like to point out from the very beginning that normally the army is a client of the defense industry. That industry is supposed to manufacture the defense means needed by the armed forces and not the other way round. I mean we do not maintain the armed forces because we need a defense industry, but rather the other way round, we have a defense industry because we have to have an army. This leads to the conclusion that above all, the defense industry should concentrate on the manufacture of the new type of equipment that will be needed by our future modern army. I repeat, this is how it all happens in any normal economy that is not suffering from labor pains, as ours is.

Of course, we are currently closely watching what is happening in the defense industry and we cannot remain indifferent. We also order things from them to the extent the funds earmarked for us from the budget permit. However, those orders are insufficient both for us and for that industry. Besides this, by the contacts we have—for instance, I did so recently in the United States and Germany, but also during other talks I held—we try to initiate cooperative actions with large Western

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companies. We are interested in cooperation with other countries as well, even if they are not Western ones. I have talked about this on a number of occasions, but I would still like to point out that other factors, principally the ones involved in manufacturing, should also be involved in such actions, because this is also in their interests, at least as much as in ours. After having seen what the others are putting out, these bodies directly involved in manufacturing could perhaps more easily grasp the need for their opening and change, and could perhaps be inspired by others regarding modern production management.

Legislative measures have been taken to protect the employees working in the defense industry, I mean the ones who have remained there. In my opinion these measures have a palliative, pain-killing nature, which ease the pain for a while without, however, being able to cure the illness. Getting healthy again cannot be achieved but by undergoing restructuring and retooling. Whatever we are unable to achieve by ourselves will have to be done by cooperating with others, who accept and are interested in such cooperation. This inevitably implies social costs, and we have to be sincere by admitting and telling the truth. This is the foremost precondition to be able to elaborate a solution. I believe that the best approach would be to go on with the defense industry restructuring projects, but at the same time also try to reconvert parts of its labor force. This would be the most efficient approach of the social protection problems. The people have to be taught other professions as well, as this will enhance their chances of finding new jobs. In the future, besides the very high technical level of their products, the costs problem will also arise, as costs are decisive for the outcome of the competition. The protection of our defense industry will increasingly depend on their ability to keep costs within reasonable limits. All these are things currently preoccupying us, and we would also like the leaders of the industrial units to reflect upon them, because, above all, responsibility lies with them. It would be a pity if the tradition and the experience we now have were to become mere memories, a beautiful and touching recollection of the heroic days when we achieved this knowledge.

[Fabian] What are your conclusions following your recent visits, when you also went to Germany?

[Tinca] My conclusions are positive. I sensed an enhanced interest by German companies to cooperate with us. I held talks at the MTU [Motoren-und-Turbinen Union] Elektrosystem und Logistik GmbH, Krauss-Maffei, Daimler-Benz Aerospace AG, and Siemens. There are still some difficulties that have to be overcome, but considering the ascending course of Romanian-German relations, I remain optimistic in this respect, too. Relations between the armed forces of the two countries are good and further progress can be expected. There is a certain opening on behalf of the German party, and I would not rule out the possibility of quite rapid positive developments. We have to try to be more convincing, now when we are not speaking to indifferent ears any more.

[Fabian] Thank you, Mr. Minister.

Iliescu Approves Arms Industry Privatization

AU1707201095 Bucharest EVENIMENTUL ZILEI in Romanian 7 Jul 95 p 2

[Article by Laurentiu Solomon: "Ion Iliescu Gave Green Light to the Privatization of the Arms Industry"]

[FBIS Translated Excerpt] After both chambers of Parliament voted on the Law on the Protection of Personnel and Patrimony of the Defense Production Sector—at great speed and in full consensus—on 26 June, the recent promulgation of this law by President Ion Iliescu has given the "green light" to the privatization of the defense industry. [passage omitted]

Although Article 9 of the law clearly stipulates that "the technical and technological documentation of products for the production of military technology is and remains the public property of the state, in the administration of the Ministry of National Defense," the law provides for the possibility of franchising, renting, or privatizing the economic units in the defense sector. In this respect, the law stipulates: "The production capacities of government-owned economic units from the defense production sector can be leased or franchised." Of course, the endorsement will be given by the Commission for Coordinating the Defense Production, after various offers have been examined by the Country's Supreme Defense Council, led by President Iliescu. [passage omitted]

In conclusion, although rather sparse in details regarding the actual way in which the arms industry will be privatized, the law, which will become valid 30 days after its publication in MONITORUL OFICIAL, confirms the recent statements of the chief of staff, Colonel General Dumitru Cioflina, about the privatization of the defense sector and the creation of a new commission. That role will be mainly decorative, because the actual decisions will be taken by the Central State Office for Special Problems and particularly by the country's Supreme Defense Council, which is presided by President Iliescu.

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'New Romania Party' Elects Leaders

AU1707200995 Bucharest ADEVARUL in Romanian 11 Jul 95 p 2

["Note" by Rodica Ciobanu: "'New Romania' Launches Itself in the Race for the 1996 Elections"]

[FBIS Translated Text] The Romanians will have the option of voting for yet another party: "New Romania Party [PNR]." This party has existed for a year, but has appointed its leaders and leading bodies only recently, during a national convention, which also approved the party's program and statute. The PNR leaders were introduced to the press yesterday, at the Sofitel Hotel in Bucharest.

From the first meeting with the press, it was obvious that the PNR leaders are using another kind of political language: concise, direct, modern, and maybe a bit too intellectual to be perfectly understood by the man in the street. As a matter of fact, PNR intends to be a modern party, which does not address itself to a specific electorate, but to everybody; PNR intends to be a party which does not relate to the other political parties, but stands on its own, by accentuating the pragmatic nature of its policy. It is worth mentioning that the new groping is among the few parties with a well-structured economic program and with very precise actions, ways, and guidelines in all spheres. The PNR plans to radically reform the public administration, achieve a real local autonomy, relaunch investments, start a vast program of housing construction and reconstruction, set up a fund to grant financial and technical support to small and medium-sized farms, raise the population's incomes, and halt the degradation of the country's resources. PNR intends to be more than a party. Its leaders want to generate a broad national movement around the party, which, at this time, has 5,200 members. However, Nicolae Lotreanu, the executive president, confessed that he is scared by the number of sympathizers when he exclaimed: "God forbid that we come to power before we deserve it." Many of the PNR members are businessmen, managers, university professors, and doctors—in a word, vectors of opinion in the communities they represent. Admitting that it is just at the start of its road, the PNR plans to run in the 1996 elections. Its policy of alliances is not yet clear, with the PNR leaders claiming that it is too early to tackle this problem. This will be done by the party's national convention, to be held next fall.

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'Differences' Remain in Talks With Italy

AU1407190895 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 14 Jul 95

[FBIS Translated Text] Slovene and Italian Foreign Ministry plenipotentiaries in a tolerant dialogue today have been trying to find mutually acceptable options for resolving the numerous issues on which any future deepening of bilateral relations and cooperation between the two states depend.

The SLOVENE PRESS AGENCY has learned that the meeting at Brdo near Kranj has shown that, despite some progress, important differences remain regarding the views and the formation of proposals for solution of issues such as protection of minorities in both countries and the property of the Italian option-takers [optant].

The plenipotentiaries will continue the talks after the summer holidays, when the Italian side will present its views on certain Slovene proposals and initiatives.

Police Commission New Patrol Boat

95BA0284B Ljubljana DELO in Slovene 22 Jun 95 p 1

[Article by Boris Suligoj: "Patrol Boat Christened at the Koper Marina"]

[FBIS Translated Text] After numerous complications, our Police have just received a P-111 aluminum boat, 20 meters long and 5 meters wide.

Koper, 21 Jun—On the first day of summer, and after a long wait, a new Police boat has been christened at the Koper marina. Its godmother, 32-year-old Liljana Kozlovic-Korenika, the assistant commander of the Skofija Border Police station and the only woman among the officers in the zone of the Koper UNZ [Internal Affairs Administration], sprinkled the boat with champagne and named it the P-111. Immediately afterward, three ministers, Zoran Thaler, Andrej Ster, and Jelko Kacin, and numerous other guests were taken on an open ride in the Koper Bay.

A contract with Torino's Avionautico was signed on 6 October 1992, and the boat was supposed to have been built in October 1993, but it only reached the Slovene sea at the end of this May, after several complications in the meantime. Even before it was built, it was seized by the Italian judicial authorities, the Italian newspapers declared it to be a warship, and later, on its first trip home, the shaft broke and it lost one screw. Unexpected vibrations of the shaft occurred.... With all of this, it could be heard more and more often that irregularities and abuses were involved. Consequently, a criminal complaint in connection with the purchase of the boat was sent to the State Prosecutor's Office by the Ministry of Finance on the basis of the findings of the budget inspectorate.

The final purchase value of the boat, including sales tax, amounted to somewhat more than 318 million tolars, or approximately 4 million German marks [DM], whereas it was initially agreed that it would cost approximately DM3.3 million. The Slovene Interior Ministry, however, has initiated judicial proceedings in Italy through its lawyer for the repayment of damages in the amount of 1.6 billion lire. The Italian court acknowledged that claim and allowed judicial seizure of Avionautica's property.

Andrej Ster said at the christening that this patrol and rescue boat would replace the 23-year-old P-44 boat. Last year 19,410 boats (primarily yachts) and about 180,000 passengers arrived at the three maritime border crossings. There are 6,790 boats registered in Slovenia; 1,440 boats, primarily foreign ones, are tied up in marinas; and another 1,270 of them are in the inner harbor; at the end of the week, there were more than 800 of them at sea.

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Federal

Serb Council Offers Tribunal War Crimes Evidence

LD1407202895 Belgrade TANJUG in English 1903 GMT 14 Jul 95

[FBIS Transcribed Text] Belgrade, July 14 (TANJUG)—The nongovernmental Serbian Council human rights body has offered its services to investigators of the UN war crimes tribunal in The Hague for the interrogation of witnesses to Croatian and Muslim crimes against Serbs.

President of the Serbian Council Information Centre, Vojin Dabic, told a news conference on Friday that its delegation had visited the tribunal on July 4-8 carrying extensive documentation on war crimes against Serbs in the former Yugoslavia.

Dabic said that tribunal officials had explained that the court had so far brought charges only against Serbs because the Serb side had not provided its documentation.

He added that the Yugoslav Federation of Serbia and Montenegro had officially submitted to the tribunal documents about the plight of Serbs at the hands of Croats and Muslims through UN agencies, and others had been received from independent sources.

Dabic said the Serbian Council had informed the tribunal that it had obtained UN peacekeepers' reports about crimes committed by Croatian troops against Serb civilians in the Croatian aggression on the western Slavonia region in Serb Krajina in early May.

He explained that the Council had satisfied itself that the tribunal had received this and other evidence of Muslim and Croatian war crimes and that the tribunal's investigators had gone a considerable way in pursuing their inquiries.

Dabic said that, if the tribunal did not open proceedings into these crimes, the Council would release the UN force's documents on crimes in western Slavonia and many other facts about crimes in the former Yugoslavia undisclosed so far.

The Serbian Council offered to the tribunal to interrogate witnesses, who are listed in the documents under code-names rather than their true names, in the Council's offices for their protection, Dabic said.

He said that during the stay in The Hague, he had visited Dusan Tadic, the Bosnian Serb who was the first to be charged with war crimes by the UN tribunal.

Tadic was arrested in Munich in February 1994, and was extradited to the UN tribunal in April 1995. He is charged with 13 counts of murder, 16 counts of torture, and one count of rape, all against Muslims.

Dabic said that Tadic had been subjected to physical and mental torture in German prisons and that some of it had continued while in pretrial custody in The Hague.

Tadic was not allowed to meet Council representatives in private; he wears shackles in the cell and is starved, Dabic said.

Dabic said that the Council officials had protested with the tribunal authorities that the treatment of prisoners in a UN prison should set an example to its member states.

FRY Participates in Trieste Fair Amid Protests

95BA0284D Ljubljana DELO in Slovene 21 Jun 95 p 23

[Article by Lojze Kante: "The Embargo Is Only a Farce"]

[FBIS Translated Text] Serbian businessmen participating in a summer fair are persuading people in Trieste about the advantages of cooperation with the Federal Republic of Yugoslavia [FRY]; protest by the Greens and amazement from the Croats.

Nova Gorica, 20 Jun—Approximately a month ago, the Gorizia financial police filed charges with the court against 15 businessmen from the border area for violating the trade embargo against the FRY. At the end of last week, however, Serbia and Montenegro participated, with a joint pavilion, in the Trieste summer fair. On the occasion of yesterday's FRY Day at the fair, a delegation from the FRY, which was headed by Rajko Uncanin, vice president of the Serbian Chamber, was received by Donaggio, president of the Trieste Chamber of Commerce.

Numerous prominent Trieste residents, upon the appearance by the vice president of the Serbian Chamber at FRY Day, discreetly withdrew from the conference hall. The president of the fair administration, Savino, welcomed the guests with a wish for the kind of peace that every country deserves. Three well-known right-wing politicians, who in the past have established ties with the Knin Serbs, listened to him attentively in the first row of the hall: neofascist Giacomelli; Gambassini, member of the List for Trieste party; and former Socialist Senator Agnelli. Uncanin tried to persuade those present that the purpose of the FRY's participation in the fair was exclusively to create possibilities for economic cooperation after the lifting of the embargo. Italy is an important partner for Serbia; trade with it was worth $450 million at one time. He also said that many businessmen from Serbia were now in Trieste and that the

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market economy was opening up significant prospects for Serbia. In terms of living conditions in the former socialist countries, Serbia was allegedly now in second place, after the Czech Republic. The propaganda material also included a publication printed in 1985 with Tito's grave on the cover. In the immediate vicinity of the Serbian pavilion was the Croatian tourism pavilion, and the Croats interpreted this as a provocation.

Members of the Greens party prepared a protest rally on the occasion of yesterday's FRY Day. Regional adviser Ghersina had himself chained in front of the entrance to the fair's stage because of the Serbs' presence. A group of Greens also protested in front of the headquarters of the Chamber of Commerce with signs saying, "Stop the war! Donaggio, the war is a farce to you, but not to us," and so forth. Greens deputy France Corleone sent an interpellation to Foreign Minister Agnelli in connection with the Serbs' participation in the fair, while the fascists' regional adviser, Giacomelli, demanded that the regional government publicly provide moral support for the fair administration that had ensured the Serbs' participation in the fair.

Private Sector Reports Growth in Trade

95BA0276C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 5 Jun 95 p 21

[Article by J.O.: "Trade: Larger Turnover by Private Operators"]

[FBIS Translated Text] On the basis of income statements for the previous year, which were presented last week for examination and discussion to the Committee for Trade, Tourism, and Hostelry of the PKJ [Yugoslav Chamber of Commerce], it is evident that the private sector had better results. That is, private firms accounted for slightly more than half (57.8 percent) of total turnover in that sector, and it had a share of 27 percent in the work force. Figures for 1994 indicated that most of the turnover was wholesale (57.5 percent). These two figures, however, have led to the conclusion that the gray economy has an essential presence in this area: Wholesale trade was actually "largely" conducted through illegal retail trade, and that accounts for its dominant share in total trade. The share of illegal trade is roughly estimated as half of total turnover.

On the same occasion, a number of other indicators were presented for an examination of last year's status of the trade sector: There were 36,000 trade enterprises operating on the territory of the FRY [Federal Republic of Yugoslavia], and they realized revenues of 16.8 billion dinars. Costs were somewhat higher—16.9 billion dinars, losses amounted to 377 million dinars, and net profit 330 million dinars; fixed capital had a share of 6.4 billion dinars and working capital 8 billion dinars. Aside from the dominant share of wholesale trade, retail trade had a share of 24.5 percent in gross income, and foreign trade 18 percent. In all, the socialized sector was represented by 819 firms and a work force of 71,000, and its income was 3.2 billion dinars; there were 768 mixed firms with a labor force of 89,000 and an income of 3.8 billion dinars; and the 34,200 private firms had a work force of 60,200 and an income of 9.7 billion dinars. The average net monthly earnings of employees in the trade sector were 124 dinars: 120 in socially owned firms, and 100 dinars in private firms.

According to the year-end statement for last year, the ratio of fixed capital and long-term reserves to permanent resources and inventories was 23.2 percent in the trade sector, which is considerably poorer than the ratio in the entire economy, which is 85.4 percent. In other words, financial security in the trade sector was considerably less favorable than in the economy as a whole. Another series of indicators, permanent capital to business debt, with a ratio of 43.5 percent (70 percent in the economy), signified low liquidity and higher debt than in the entire economy; mainly, this is an indication of short-term sources of funds and short-term borrowing. Fixed capital and working capital were insufficient to guarantee the stability of the trade sector's business operation, which was not as good as in the entire economy.

The level of coverage of inventories was 40.6 percent, which once again is a poorer result than the entire economy (59.3 percent), while the degree of coverage of short-term receivables was 78 percent; that is, short-term receivables were less than short-term obligations, just as in the economy (75 percent).

Presentation of these figures was accompanied by a discussion in which the dominant position was "the need for further transformation of ownership in the trade sector" (Danilo Perovic, vice president of the PKJ), "identification of the conditions and regulation of the business operation of all forms, especially private property," along with demands for application and possibly even refinement of regulations to combat the illegal siphoning of funds (the gray economy) in this sector of the economy. Another topic was the multiple sales margins (Z. Ratarac, chairman of the committee).

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Chamber of Commerce Views Economic Slide

95BA0276A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 5 Jun 95 pp 14-15

[Article by V. Stevanovic: "Yugoslav Chamber of Commerce on Output and Exports: Pets of the State and Others"]

[FBIS Translated Text] Whether because of the very real possibility of the sanctions of the international community toward our country being suspended (discontinued in the best version), or because of the gloomy figures on industrial output and foreign trade in the first four months of this year, the Board of Directors of the Yugoslav Chamber of Commerce [PKJ] put on the agenda of its last meeting a topic with a very interesting title: "What Is Standing in the Way of Higher Output and Exports?" The unusually analytical and systematic material prepared for that meeting could not, of course, give a simple answer to the crucial question that was put, because the circumstances that have jeopardized the objectives of macroeconomic policy for this year, even following the industrial breakdown in April, are not simple. Nevertheless, if nothing else, the problems have at least been located, and the scratching has gone beneath the surface.

Surviving

Thus, the analysts of the Association of Yugoslav Businessmen have taken off the kid gloves in reporting gloomy statistics on industrial output in the first four months of this year, accompanied by the assessment that the results are very modest, while in April the figure was even negative. The April 10.1-percent drop in production from March, along with the steady rise of retail prices from January through May, is sufficiently indicative, but more interesting than that assessment are the results for foreign trade, which have been made public for the first time. They showed that exports in the period from January to April of this year are down 0.3 percent from the same period last year. The trouble is that exports in April of this year were 20.4 percent below those of last year, and the drop from March of this year was 6 percent. This, then, is a dangerous downward trend in exports, while imports rose 49.6 percent in the first four months of this year. This has resulted in a deterioration of the coverage of imports by exports during this period from last year's 115.6 percent to the present dramatic 77 percent. All of this raises the question of whether the objectives of economic policy for this year are realistic in envisaging, let us recall, a 7-percent growth of the social product, a 9-percent growth of industrial output, and a 7-percent growth of exports, comments the PKJ.

So much for the present unenviable economic situation at the moment. The more important thing, of course, is what brought about this recession? Without bypassing the impact of the sanctions as an important external constraint, quite a bit of attention has finally been paid to "domestic shortcomings." The assessment, then, is that many business managements have been behaving statically in marketing products already developed, and many have even broken off all contacts with the world. "There is a noticeable shoving of development issues into the background because in many firms the management teams have mainly been preoccupied with solving everyday current problems in production, collection of receivables, and obtaining funds to make the payroll," the analysis states.

Aside from this "slap on the wrist" of management teams, the rest of the criticism, wonder of wonders, has been addressed to the state, represented by the federal and republic governments, then to the central bank.... Thus, for instance, there is particular criticism of experiments with import-export measures and the lengthy administrative procedure. A chronology is given of this year's meandering of the federal government in this area, from the increase, and then the reduction of import charges, and then the incredibly complicated procedure for obtaining the necessary permits, clearances, and other paper shuffling for any kind of export-import transaction. As noted by Mihailo Milojevic, PKJ president, in his introductory address, the bureaucratic spirit that prevails in the federal administration believes disaster will strike if things are simplified, and at this point it has managed to raise its fear to the level of an interest of state. That is, the suggestions and petitions from the PKJ for reduced administration in this area are not meeting with approval in the federal government. Although, we should mention, the request that assignment of import-export quotas be returned to the competence of the PKJ, which is a proposed solution for the excessive administration that comes from the Association of Yugoslav Businessmen, can hardly withstand any serious professional analysis: This is a problematic concept that can hardly be corrected by carrying it out with better people.

Who Is Pedro?

Yugoslav businessmen, at least this is the position of the PKJ, also have serious objections to the way foreign exchange from state reserves is distributed. It turns out that all firms are not in the same position when the scant foreign exchange is released at the official rate from the vault of the central bank, but there is no official information as to how the NBJ [National Bank of Yugoslavia] does this. This accounts for the request for

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evaluation of the results of the measures on mandatory sale to the central bank of foreign exchange originating from exports, but also the call for greater public scrutiny in establishing priorities in the sale of foreign exchange at the official rate. Quoting Milojevic again: "They have now divided us into the privileged and those others," which is having a direct impact on overall economic stability and is disrupting the program for monetary reconstruction. Aside from fairer distribution of foreign exchange, the people in the PKJ are also calling for larger export incentives, because what we have now amounts to nothing.

The next sore point of the domestic economy is lack of financial discipline. Promissory notes are no longer a reliable payment instrument; debtors are privileged, for which the courts are largely responsible. Thus, Milan Djakovic (NIS) has noted that customers owe his firm 330 million dinars, but there is little chance of that sum being collected. The debtor lobby is very strong, which also explains why there is no still no real information about the monetary shock in March. Mihailo Majevic hinted that there are indications that the whole thing has been abandoned because it would be embarrassing to publish the names of all those who took part in the "spontaneous" drop of the dinar.

A list of the troubles faced at the moment by Yugoslav businessmen might also be extended with the problem of credit support: On the one hand, there is the restrictive monetary policy, which limits the capabilities of the commercial banks; on the other hand, there are the credits (the debtor lobby) that have been granted, but not repaid; and on yet a third hand, there are the low official rates of interest (while unofficially, with the help of commissions and other roundabout devices, interest rates climb as much as 1 percent per day).

Although a bit timidly, the businessmen also pointed to an excessively large fiscal burden, because for every dinar earned, the same amount goes to the state in taxes and contributions. To be sure, this is more related to the failed campaign of the state in fighting the "gray economy" and has less to do with oversized public expenditure, although Milojevic properly noted that our overall situation is one in which the relationship between what has been created and what has been spent is seriously upset, and when a bit more stewardly behavior is called for at all levels.

Nevertheless, if it is at all possible to reach a conclusion, one gets the impression that the domestic economy sees monetary expansion as the way out of the production blind alley in which it has found itself. This can also be concluded from the list of spending needs published by the PKJ Board of Directors (for example, shipbuilding needs 20 million dinars to finalize an export worth 150 million German marks [DM], industry needs about 100 million dinars, which will by and large solve its present difficulties), but also from the poisonous stings addressed to the central bank, which were part of the material we mentioned, but were also to be heard during the discussion. Thus, the NBJ is criticized for not monitoring operation of domestic commercial banks, for bearing a large part of the fault for the general lack of financial discipline, and also for not having done very much to work out instruments for noncash payments and reduction of cash in circulation.... As though Pedro had already been found, and only a loosening of the monetary restrictions is awaited, and then everything will be much easier. Deja vu.

Symposium Focuses on Coal-Mining Problems

95BA0276B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 5 Jun 95 pp 18-19

[Article by D. Nedeljkovic: "Mining: Machinery in Crisis"]

[FBIS Translated Text] The School of Mining Geology at Belgrade University has organized a symposium on the production, application, and maintenance of machinery in mining in order to analyze the current situation of the mines and to see what should be done now. The machinery of the mines, and this has been true for quite some time, is the point of departure of any technology; many mining machines exceed entire factories in their size and cost, so that this international meeting on machinery, which is now the fourth, has manifold significance. Some 70 papers were delivered at the meeting, which was attended by a few foreigners, and the number of participants and sponsors confirmed the interest not only of users of equipment, but also domestic manufacturers of it.

Until five years ago, Yugoslav mines had the most up-to-date machines from world manufacturers, and, perhaps still more important, they were not lagging behind the world's best mines in their efficient use. Since the country's disintegration, and especially since the sanctions were imposed, the large mining machines have been used ever more poorly, they are going without spare parts, they are getting old, they are becoming unsafe and even dangerous for the workers. To be sure, domestic industry has made efforts to substitute spare parts, but the results have been mixed. Mining is in a great crisis, faced with a plethora of problems to which no one sees a solution. There is a real danger of production stoppages, either brief at immense cost, or lasting—with unforeseeable consequences.

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Mentioning that the situation in mines for metals and nonmetallic minerals is still worse, Prof. Dusan Stojanovic analyzed the situation in the coal mines. Coal, incidentally, is the foundation of Serbia's energy reserves, in which its share is 84 percent. Estimated reserves have hardly been touched at all: At the strip mines of Kolubara, Kostolac, and Kosovo, only 5 percent of reserves have been affected so far. Energy experts, although they are not alone, have been doing studies for more intensive exploitation of this natural resource, seeing this as Serbia's opportunity to market electric power as a principal export. Without going into an evaluation of this kind of program, it is worth mentioning on this occasion that it would be possible in two decades to build 4,200 MW of installed capacity of thermal power plants (almost 6,000 MW in another version), which would mean increasing coal production by 34 million metric tons a year (50 million tons in the alternative version).

Comparing such programs to the present situation yields an astounding picture. In other words, the problem for the mines is how to maintain the present level of production without shutting down the strip mines with their expensive equipment. In a normal business year—1990—the strip mines produced 42.3 million tons of coal, while last year's output was 36.5 million tons. In four years, coal production has dropped six million tons, and the trend is toward further decline. The trend is best illustrated by the results in opening new strip mines, that is, removing overburden to get to the coal beds. In 1990, 84.5 million cubic meters of overburden were removed, but last year only 47 million cubic meters were removed. In other words, in the last four years coal reserves uncovered earlier were used, and the present rate of overburden removal does not allow for maintaining even the level of coal production that has been achieved.

Machinery worth more than $2 billion is being used less and less and in large part is turning into scrap iron. At the three strip mines there are 149 excavators, loaders, and conveyors that came from no fewer than 51 foreign manufacturers. Even a richer and technologically more able domestic industry would not be able to master production and replace all the parts and assemblies for those machines, although the experts say that domestic industry has done quite a bit. The problem, however, lies in the more than 1,000 so-called auxiliary machines, mainly specialized, more than 10 percent of whose spare parts have not been replaced. The situation is equally critical with the conveyors and rubber conveyor belts, because last year there were breaks and splices every 100 meters over the 412 km of conveyor belts.

At the time when the sanctions were imposed, six rotary excavators, three loaders, and one self-propelled conveyor from foreign manufacturers were being installed, and all the experts dropped their work and left the installation site. Domestic experts have managed to get only one excavator in operation; they are still working on the rest. Only a fifth of the auxiliary machines are in operating condition and can be used.

The symposium on the production, application, and maintenance of mining machinery ought to sound the alarm to those in positions of responsibility—unless the financial condition of the mines is urgently improved, we cannot expect to carry out the energy budget. Without the mines and the coal, there is no point in preparing the power plants and the power lines, because there will be no power without the basic fuel.

Commentary Criticizes Turkish Policy in Balkans

LD1607163995 Belgrade TANJUG in English 1255 GMT 16 Jul 95

[Article by Zoran Jevdjovic; "Pool" item]

[FBIS Transcribed Text] Belgrade, July 16 (TANJUG)—Turkish President Suleyman Demirel's just ended Balkan tour and Turkey's diplomatic activity as a whole leave considerable doubt about what Ankara actually wants to achieve in the Balkans and how it sees its role in the troubled region.

Over the past week, Demirel visited Albania and the Former Yugoslav Republic of Macedonia (FYROM), where, according to press reports, he was met with much attention and understanding. Both countries seem to expect Turkey to help them stand on their own two feet economically and politically, which would be a practical fulfilment of Turkey's aspiration to be a regional power.

Demirel met in Albania and FYROM with a number of officials and signed several bilateral agreements, which need not be bad in themselves and may even serve as an example of understanding between Balkan and other regional countries.

However, it is noteworthy that Demirel's visit to Bulgaria did not pass in quite the same atmosphere, and that even some incidents occurred. Sofia was visibly irritated by Demirel's visit to the southern part of the country, where he met with representatives of the local Muslim and Turkish minorities. Bulgarian Foreign Minister Georgi Pirinski almost demonstratively refused to make any comment on such moves by the Turkish president.

In view of Turkey's Balkan policy, including the crisis in the former Yugoslavia, and especially the civil war in the former Yugoslav Republic of Bosnia-Herzegovina, one could rightfully say that Turkish officials have been trying to instigate the Bosnian war, rather than helping to put an end to it.

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Either by its own wish or the wish of its sponsors, Turkey has more or less openly conducted a political campaign for the regime of Bosnian Muslim leader Alija Izetbegovic. Ranking officials in Turkey have more than once openly confirmed that their country is illegally selling weapons to the Bosnian Muslims, thus violating the United Nations arms ban. Political circles in Belgrade have therefore received with much reserve Demirel's statement in which he said that his country wanted the Bosnian war to calm down and end as soon as possible, and the sides to the conflict in the former Yugoslavia to reach a negotiated solution.

The statement would be welcome if it reflected a change in Turkey's policy. However, bearing in mind Turkish unprincipled attitude in the past, it would be wiser to wait for Ankara to put its possible new stands into practice. It means that Turkey should stop sponsoring various anti-Yugoslav actions in international institutions, adopt an unbiased attitude to all sides in the Bosnian civil war, and stop using its military capacity to bring more death and destruction to Bosnia.

In its cooperation with countries like Albania and FYROM, Turkey is expected to adopt a principled stand that would not be detremental to third countries, including Yugoslavia. This is the only way of securing stability in the Balkans as a whole and in Turkey's relations with other regional countries.

Montenegro

Opposition Opposes Serb Control of Valdanos Bay

95BA0284C Ljubljana DELO in Slovene 21 Jun 95 p 6

[Article by Branko Jokic: "Bulatovic's Generous Gift"]

[FBIS Translated Text] The opposition is angry because the Montenegrin president arbitrarily ceded the military Valdanos Bay and 130 apartments in Ulcinj; in return, the Montenegrins are supposed to get Tito's Galeb and several other warships that have already been written off.

From our correspondent.

Podgorica, 20 Jun—"Montenegrin President Momir Bulatovic, by ceding the Valdanos Bay (near Ulcinj) to the Army of Yugoslavia, has proven that he wants to destroy Montenegro's future." That is the unanimous position of the Montenegrin opposition, intellectuals, and the opposition press upon the recent announcement of that decision by the Montenegrin president, although it was known even earlier, since work on that military base had already started.

The Liberal Alliance of Montenegro, the largest parliamentary opposition party, demanded that Bulatovic publicly show the document on the new "trading with Montenegro." That deputies' caucus is citing the Constitution and demanding that responsible government services publish the decision on turning Valdanos over to the Army, and likewise the document on turning 130 apartments (in Ulcinj) over to naval officers. The newspaper MONITOR published statements by experts that Valdanos was the best bay on the Montenegrin coast, and especially appropriate for high-level tourism. It is the biggest Montenegrin tourist resource, which covers 14,000 square meters, and in its hinterland is the biggest olive grove in Europe.

Because the former Minister of Urban Planning (a Liberal), architect Miodrag Burzan, did not agree with turning the bay over to the Army, he had to resign. In his opinion, Bulatovic's decision is "a royal gift from the poor," and that is not all: The Army also wants the Lusica Peninsula (at the entrance to Boka Kotorska), and several other places of extreme interest for tourism on the Montenegrin Adriatic and Skoder coasts. The Army could also have obtained other locations, but it chose precisely the ones that are of most interest for tourism, which, in Burzan's opinion, is by no means a coincidence. By doing this, it wants to destroy permanently Montenegro's future in tourism, and the coast will turn into a military base and a Serbian trade union summer resort.

That kind of "transformation" of Montenegro's tourist and ecological future represents a much larger contribution by Montenegro to the total military budget. The Army of Yugoslavia has announced that "in return" it will give Montenegro several ships that can be renovated for tourist purposes. They also include Josip Broz Tito's Galeb, which several years ago was moved extremely quickly from the northern Adriatic and anchored at Tivat. It is known that the ship is just a relic. It was built in Genoa back in 1935, and was sunk during World War II. After its renovation in Pulj, Broz traveled almost 100 nautical miles on it. The same thing applies to the other "business entertainment" ships of the former Yugoslav Army that are now supposed to be given to Montenegro—the Vis, the Jadran, the Primorka, and others. They were all built before the 1940's or 1950's, and the situation is not any better with the smaller vessels that the Army claims "will enrich Montenegro's tourist offerings."

On the contrary, Belgrade is boasting a great deal about the Army's domination of the Montenegrin coast. "High-level experts" on military strategic issues now think that they will have military control all the way up to the Straits of Otranto, and will "paralyze" enemies from Croatia to Albania. It is not known what sort of military equipment they will be able to use for

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that, because the data on this are contradictory. Some people claim that it is the best-equipped navy in the Mediterranean, and others that the Army of Yugoslavia does not even have a single ship that could sail out to the open sea, because all of its vessels already "jump like tin cans" in force 4-5 winds.

Belgrade newspapers have praised the Montenegrin president's gift to "his" army, and rejected all the Montenegrin claims that it has jeopardized tourism. In spite of this, the public is angry, and the "separatist opposition" is still demanding an explanation from the institutions and individuals who represent the "abstract state of Montenegro" as to why such decisions can be made bypassing parliament, or without a referendum. Of course, no one believes that anything will change at all regarding this, and instead things will be as decided by the "czar from Dedinje," even though "We no longer want to keep silent and shrug our shoulders," as the wronged Montenegrins say.

Autocephalous Orthodox Church Proclaimed in Cetinje

AU1407154495 Belgrade NASA BORBA in Serbo-Croatian 13 Jul 95 p 16

[BETA report: "Montenegrin Autocephalous Orthodox Church Proclaimed"]

[FBIS Translated Text] Cetinje, BETA—MONTENA FAKS has reported that yesterday on Cetinje's King Nikola Square the Autocephalous Montenegrin Orthodox Church was proclaimed in front of some 300 believers and with the usual liturgy. In his absence, but with the blessing of spiritual leader Bishop Antonije Abramovic, the liturgy was conducted by priest Milutin Cvijic, the archpriest's envoy to the Autocephalous Montenegrin Orthodox Church for the Primorska Parish of St. Vladimir.

MONTENA FAKS stresses that Abramovic was recently made bishop, thus creating all the canonical conditions for the constitution of an autocephalous church.

Kosovo

Rugova Briefs Diplomats on Serbian 'Repression'

AU1807111495 Pristina KOSOVA DAILY REPORT in English 17 Jul 95

[FBIS Transcribed Text] President of the Republic of Kosovo Dr. Ibrahim Rugova received today in Prishtina [Pristina] Dr. Michael Weninger, charge d'affaires of the Austrian Embassy in Belgrade. President Rugova and the Austrian charge d'affaires exchanged views on the current state of affairs in Kosovo and developments in the region. President Rugova said the situation has been aggravating amid the Serbian regime's crackdown on the Albanians, ordinary citizens, and political, humanitarian, and educational activists alike. The political will of the people of Kosovo for independence and neutrality should be the basis on which a solution to the Kosovo issue can be found peacefully through talks mediated by a third authorized party, Dr. Ibrahim Rugova stressed. He pressed for preventive measures in Kosovo, noting that a temporary international civil administration would normalize life and facilitate a negotiated settlement of the Kosovo question.

The Austrian diplomat, Dr. Michael Weninger, shared an interest in different aspects of the Kosovo reality. He expressed the satisfaction of the Austrian Government with the peaceful policy of the Kosovo Albanians, and the commitment of Austria towards ensuring a just and acceptable solution to the Kosovo issue.

President of the Republic of Kosovo Dr. Ibrahim Rugova received today in Prishtina Mr. Lars Wahlund, charge d'affaires of the Swedish Embassy in Belgrade. President Rugova briefed Mr. Wahlund on the situation in Kosovo, which, as he said, has been aggravating amid the Serbian regime's continued daily repression. The people of Kosovo have opted for independence and neutrality, and this should be the basis on which a solution to the Kosovo issue can be found through talks mediated by a third authorized party, the president said, speaking about the framework in which a solution to the Kosovo issue should be sought. He said also that an international civil administration, as an interim stage, would normalize life and facilitate a negotiated settlement of the Kosovo question.

The Swedish diplomat Mr. Lars Wahlund shared an interest in different aspects of the Kosovo reality. The current situation in Kosovo and developments in the region were tackled in the meeting of President Rugova and the Swedish diplomat.

Albanian 'Separatist' Police Sentenced in Pristina

LD1707153395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1420 GMT 17 Jul 95

[FBIS Translated Excerpt] Pristina, 17 Jul (TANJUG)—The five-member bench of the Pristina District Court today sentenced members of the Albanian separatist self-styled police in Kosmet [Kosovo-Metohija] to jail terms ranging from 18 months to eight years.

A group of 68 Albanians were sentenced, charged with organizing and joining the self-styled police forces of the so-called ministry of internal affairs of the self-proclaimed "republic of Kosovo" with the aim of separating the territory of Kosovo-Metohija by force and uniting it with Albania.

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Out of the 71 people originally charged, two people have been released due to lack of evidence. One person will be tried at a later date due to ill health.

Presiding judge Dragoljub Zdravkovic said that 18 people were sentenced under Article 163, Paragraph 1 and under Article 116, Paragraph 1 of the FRY [Federal Republic of Yugoslavia] Penal Code, that is, as organizers of the illegal separatist police.

The following were at the organization's core: Jonuz Trstena, sentenced to eight years in prison in absentia; Avdija Mehmedovic, sentenced to seven and one half years in prison; Sarif Krasnici, Seremet Ahmeti, Hajrulah Trnava, Fadilj Krasnici, and Bljerim Oloni, all sentenced to six and one half years in prison.

Those who joined the original group and who worked on the creation of a separatist police force in the municipalities of Urosevac, Mitrovica, Glogovac, Podujevo, and Pristina, are in the second group of 50 sentenced people. Their sentences range between 18 months and five years in prison. The judicial bench has decided to end their detentions before the sentences go into effect. [passage omitted]

Albanians Claim Trial Staged

AU1807120095

[FBIS Editorial Report] Pristina KOSOVA DAILY REPORT in English No. 660 on 17 July carries a report on the "hugest Serbian staged trial against Kosovo Albanians in the past few years," which ended in Pristina on 17 July.

The report notes that "the trial against 72 Albanians, former Kosovo police personnel, accused by the Serbian regime of having been involved in the formation of the Ministry of the Interior of the Republic of Kosovo in order to plot against the territorial integrity of Serbia/Yugoslavia" concluded in Pristina with the "announcement" of the verdict—"69 Albanians were sentenced to a total of 230.5 years, two were acquitted, whereas one defendant's legal case was singled out."

The 72 ethnic Albanians, "formerly employees with the Kosovo police force and currently members of the Kosovo trade unions," were arrested in November 1994 in what is referred to as "the biggest roundup of Albanians in the past few years." The "Serbian regime's indictment against 72 Albanians" tried in Pristina alleged that between 1991 and November 1994, the accused had "made preparations to undermine the constitutional order of Yugoslavia through the use of force and to secede the territory of Kosovo and other Albanian-inhabited areas, to form an independent state, or to cede these territories to Albania." The Serb indictment further alleged that "the above activities and moves were carried out at the behest of the Government of the Republic of Kosovo, which, in 1992 allegedly formed the Ministry of the Interior of the Republic of Kosovo, within the framework of which were to operate the public and state security services."

The 72 Albanians were charged with having "established seven security centers in bigger places in Kosovo," which were under "the jurisdiction of the Ministry, the President, and Parliament of the Republic of Kosovo," and of being "involved in a parallel police force," which allegedly "committed" itself to bringing "large quantities of weapons," technical equipment, and other items to Kosovo.

It is also reported that the Albanians were accused of "having followed and surveilled the activities of the Serbian police and military forces in Kosovo" and "provided security cover for the activities of the bodies of the Republic of Kosovo," thus establishing and running an "intelligence network."

The Serb public prosecutor "offered very scanty evidence to all these charges: a few pieces of weapons and radio sets." The defendants, who were mostly "kicked out of their jobs" in 1990 "in the wake of the illegal suspension by Serbia of Kosovo's autonomy," pleaded "not guilty" and "denied charges in whole" in a "one-and-one-half-month-long trial." All the defendants spoke of "terrible tortures" they have been subject to while "in custody" in a "bid to force them sign self-incriminating statements," while their defense attorneys remarked that "their clients were the victims of a staged political trial" and demanded "their unconditional acquittal."

It is also reported that another trial "against 44 Albanians in Prizren, which started 3 May 1995 at the Serbian-run Prizren District Court, is still underway" and the verdict is expected to be announced "in the near future."

Various domestic and international organizations have "denounced" the trial and considered it as "a form of crackdown on the Albanian organized life in Kosovo itself," while the Serbian press has "indicated" that "the goal was to incriminate the very political organization of Kosovo, namely the democratically elected authorities of the majority of the people of Kosovo."

Serbian Police Arrest, 'Ill-Treat' Activists

AU1507203395

[FBIS Editorial Report] Pristina KOSOVA DAILY REPORT in English No. 656, 657, 658, and 659 on 11, 12, 13, 14 July and Tirana TVSh Television Network in Albanian at 1635 GMT on 15 July carry several reports

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on Serbian Police "daily repression" and "harassment" of Albanians in various areas in the province.

A report from Kacanik on 11 July states that the Serbian Police on 7 July "chased several Albanian children, aged between four and six," on grounds that "the children had raised their fingers in the V-sign and shouted hostile slogans." It is noted that on 10 July, another Albanian from the Dubrav village was "physically maltreated for a couple of hours" at the Serbian Police station in Urosevac "allegedly under illegal arms possession." The Albanian had to "seek medical treatment" afterwards.

Sources in Gnjilane report that customs officers at the Cukarka border crossing seized 5,000 German marks from a couple with Dutch citizenship under the excuse that "they had not declared the money when entering the country." The Serbian Police on 10 July raided the home of a 70-year-old resident at Livo village, "urging him to deliver a rifle," and beat up his son. Under the pretext of "searching for arms," the Serbian Police on 10 July raided the homes of five Albanian residents in Gjonaj.

It is reported on 12 July that a Serbian Police patrol in Skenderaj "searched" the house of an Albanian resident at Rezall village. Sources note that the Serbian Police at Runik village arrested a young Albanian, adding that "the reason behind this arrest remains unknown." It is reported that the chairman and deputy chairman of the Democratic League of Kosovo (LDK) branch in Decan were "released" on 11 July after "having been questioned for half a dozen hours at the police station." LDK sources say that a member of the LDK branch presidency in Zhur was taken to the police station "in connection with arms possession," but was released one and a half hours later.

The Serbian Police in Prizren detained an Albanian and his two sons allegedly "in connection with illegal arms possession." The men were released after being held for two hours.

LDK sources on 13 July report that "a Serbian Police expedition cracked down on the Malisheva (Malisevo) marketplace." The Serbian Police "looted" Albanian vendors and consumers, something that has become "a routine weekly occurrence." Meanwhile, the so-called Serbian fiscal police cracked down on private businesses in Pec, plundering an "estimated 1 million dinars" and "closing down" 28 businesses on "irregularity" charges.

It is reported that on 10 July, the LDK branch secretary in Istog was held at the police station allegedly "in connection with arms possession." "Under the same pretext," the police detained three Albanian residents from Kalian village on the same day. The Serbian Police in Gnjilane on 11 July maltreated an Albanian and his son at the police station under "arms possession charges." On 11 July, a Serbian inspector "questioned" the LDK branch presidency member in Kamenica about several Albanians who were serving prison terms on "Serb regime's charges for hostile activities" and for "being involved in defense activities." On 11 July, Serb security officers interrogated the chairman of the LDK Information Commission in Kamenica for the "fourth time." The Police also questioned the chairman of the Peasants Party of Kosovo branch in Kamenica.

The Serbian Police in Malisevo maltreated an Albanian and his two sons at the police station in Orahovac on "illegal arms possession charges." Another Albanian and his two sons were reported "maltreated," too. The Serbian Police on 12 July raided the home of an Albanian at Panorc village "in connection with arms searches" and took him to the police station where he was "beaten up till midnight."

A report on 14 July notes that two Serbian State Security officers searched the office of the dean of the Albanian Medical Faculty in Pristina, who told the Kosovo Information Center (KIC) that the Serb officers questioned him for "over an hour" about "the educational process in the faculty," showing interest in "the numbers of the enrolled students, names of teachers and other staff, as well as the number of students of this faculty who have been accomplishing laboratory training in the University of Tirana."

Another report on 14 July also notes that a Serb policeman on July 11 "ill-treated" two brothers from Hani i Elezit and took them to the police station. During June alone, the Serbian Police in the Hani i Elezit district raided nine Albanian homes, "ill-treated" 10 persons, while eight Albanians were sentenced from 10 to 30 days in jail and a 10 year-old boy was shot dead by the Serbian military.

Citing KIC sources, Tirana TVSh Television Network in Albanian at 1635 GMT on 15 July reports that "at about 0600 this morning the Police arrested Mal Haziri, a resident in Zhabel village in Gjakove (Dakovica) and a LDK subbranch chairman, who is still being held under arrest with no clarification at all."

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The TVSh also reports that "several activists of the Youth Forum of the LDK branch have been targeted by the Police in the Podujeve [Podujevo] commune." The television also says that under "unclear pretexts," another Albanian from the Youth Forum has been taken to the police station and "maltreated," while "under the pretext of searching for weapons," the Police have "raided several families" in Burim village in Skenderaj, Poluzhe and Krajkov in Glogovac, Pleshine e Poshtme in Urosevac, and several citizens in Koshare in this commune.

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